

10 May 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) - FREEING OF CONDITIONS AND VARIATION OF OFFER

The Board of Cape Lambert Resources Limited (**Cape Lambert**) (ASX:CFE) has today resolved to free its offer for all of the fully paid ordinary shares in DMC Mining (**Offer**) from all conditions and vary the Offer as follows:

- (a) by extending the period of the Offer so that the Offer now ends at 5.00pm (WST/Perth time) on 25 June 2010 (unless further extended or withdrawn); and
- (b) by increasing the cash offered. DMC Mining Shareholders will now be offered **\$0.50 for every one DMC Mining Share** they hold.

The Offer is now an unconditional cash offer of \$0.50 for every one DMC Mining Share.

Attached to this announcement is a formal Notice Freeing Offer from Conditions.

Cape Lambert will be releasing as soon as is practicable:

- (a) a formal Notice of Variation of Takeover Offer.
- (b) a Second Supplementary Bidder's Statement relating to the above changes to its Offer.

Cape Lambert has a relevant interest in 35.44% of DMC Mining Shares (as of 7 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

NOTICE FREEING OFFER FROM CONDITIONS PURSUANT TO SECTION 650F(1) OF THE
CORPORATIONS ACT

BY CAPE LAMBERT RESOURCES LIMITED (ACN 095 047 920)

- To:
1. DMC MINING LIMITED (ACN 121 513 620) (DMC MINING).
 2. AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION.
 3. THE AUSTRALIAN SECURITIES EXCHANGE.

Pursuant to Section 650F(1) of the Corporations Act 2001 (Cth), Cape Lambert Resources Limited (ACN 095 047 920) (**Cape Lambert**) hereby declares that the offer to acquire all of the issued fully paid ordinary shares in DMC Mining, as considered in the bidder's statement dated 7 April 2010 (**Original Bidder's Statement**) (as varied by Cape Lambert's first supplementary bidder's statement dated 27 April 2010) (together, the **Bidder's Statement**) (**Offer**) and all contracts formed by acceptance of the Offer are now freed from all of the conditions set out in Section 10.6 of the Original Bidder's Statement.

Cape Lambert now considers that the Offer and all contracts formed by acceptance of the Offer are now unconditional.

As far as Cape Lambert is aware, as at the date of this Notice, Cape Lambert has a voting power of 35.44% in DMC Mining.

Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this Notice.

Dated: 10 May 2010



TONY SAGE
DIRECTOR
CAPE LAMBERT RESOURCES LIMITED