



DMC MINING LIMITED

ACN 121 513 620

10th December 2008

ASX/MEDIA ANNOUNCEMENT

DMC secures A\$2 million funding facility

HIGHLIGHTS

- **Secured Convertible Note Deed completed**
- **DMC fully funded for the completion of the 2009 drilling programme at the Mayoko Iron Ore Project**
- **The 2009 drilling programme is part of the pre-feasibility study which has already commenced.**

SUMMARY

DMC Mining Limited ("DMC") is pleased to announce it has entered into a secured convertible note agreement with Dempsey Resources Pty Ltd ("Dempsey")

Under the terms of the agreement, Dempsey has the right before the repayment date of 10th December 2009 to convert the Note into ordinary shares in DMC, subject to the approval by DMC shareholders. The conversion price will be the lesser of \$0.10 and, the volume weighted average closing price of the DMC's Ordinary Shares as quoted on ASX over the last five (5) trading days immediately preceding the delivering of a Conversion Notice by Dempsey to DMC.

DMC has agreed to pay interest at a rate of 12% pa on the convertible note. In addition, in consideration to Dempsey for subscribing for the Note, DMC has agreed to issue Dempsey 5,000,000 options which can be exercised at \$0.15 on or before 30th June 2010.

"In spite of the Global Financial Crisis and the fact that many mining companies are scaling back operations, DMC will continue its 2009 drilling programme as planned" DMC Managing Director, David Sumich said.

2009 DRILLING PROGRAMME

The 2009 drilling programme is scheduled to start in January 2009, and is designed to infill the 33Mt JORC Inferred Resource area, while also testing the 110-135Mt hematite exploration target and the 750 – 800Mt magnetite target.

APPOINTMENT OF TECHNICAL DIRECTOR

As part of the agreement, Dempsey will nominate a non-executive director to join the board of DMC.

RESIGNATION OF DIRECTOR

Mr William Witham has resigned from the board of DMC. DMC wishes to thank Mr Witham for his significant contribution to the company and to the advancement of the Mayoko Iron Ore Project.

For further information:

David Sumich: Managing Director, +61 8 9486 1909

***Competent Persons:** The contents of this report relating to geology and the exploration targets and results are based on information compiled by William Witham, a Member of the Australian Institute of Geoscientists. He has sufficient experience related to the activity being undertaken 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. William Witham also has sufficient experience relevant to the styles of mineralisation and types of deposit under consideration. He consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.*

The exploration targets and grades mentioned in this release 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.