



DMC MINING LIMITED

NOTICE OF ANNUAL GENERAL MEETING

– and –

EXPLANATORY STATEMENT

– and –

PROXY FORM

DATE AND TIME OF MEETING:

28 November 2008 at 9.00am

VENUE:

The Citigate Hotel

'The Green Room'

707 Wellington Street, Perth, Western Australia 6000

These documents should be read in their entirety. If shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.

DMC Mining Limited
ABN 38 121 513 620

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NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the members of DMC Mining Limited ("DMC" or the "Company") will be held at The Citigate Hotel, 'The Green Room', 707 Wellington Street, Perth, Western Australia 6000, at 9.00am, 28 November 2008.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

AGENDA

ORDINARY BUSINESS

To receive and consider the financial report of the Company for the period ended 30 June 2008, and the reports by directors and auditors thereon.

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolutions:-

1. Ordinary Resolution 1: Adoption of Remuneration Report (Non-binding)

To consider and if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report."

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

2. Ordinary Resolution 2: To re-elect a Director

To consider and if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the Purposes of Listing Rule 14.4 and for all other purposes, to re-elect as a director Mr William Witham who retires in accordance with Clause 13.2 of the Company's Constitution and, being eligible, offers himself for re-election."

3. Ordinary Resolution 3: Appointment of Auditor

To consider and if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of section 327B of the Corporations Act and for all other purposes, Mack & Co Chartered Accountants, having been nominated by a Shareholder and having consented in writing to act in the capacity as auditor, appointed as auditor of the Company."

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4. Ordinary Resolution 4: Ratification of Allotment and Issue of Options Issued to Cunningham Securities Pty Ltd

To consider and if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 1,250,000 \$0.65 Options to Cunningham Securities Pty Ltd and otherwise on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion Statement – Resolution 4

In accordance with Listing Rule 7.5.6, the Company will disregard any votes cast on resolution 4 by:

- Cunningham Securities Pty Ltd; and
- any associate of Cunningham Securities Pty Ltd.

However the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Ordinary Resolution 5: Issue of Shares Pursuant to Proposed Capital Raising

To consider and if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 20,000,000 Shares to sophisticated and institutional investors for the purposes and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement – Resolution 5

In accordance with Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 5 by:

- any person who participates in the issue; and
- any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if Resolution 5 is passed and any associate of those persons or of the entities listed above.

However the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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6. Ordinary Resolution 6: Increase of Maximum Aggregate Remuneration to Non Executive Directors'

To consider and if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 202A of the Corporations Act, Listing Rule 10.17, Clause 13.7 of the Constitution and for all other purposes, the maximum aggregate fixed sum per annum to be paid to Non Executive Directors be varied to \$350,000 per annum to be divided between the Non Executive Directors in such a manner as they determine commencing on 1 December 2008."

Voting Exclusion Statement – Resolution 6

In accordance with Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 6 by:

- a Director; and
- any associate of a Director.

However the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. Ordinary Resolution 7: Change to the Terms and Conditions of Options

To consider and if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, in accordance with Listing Rule 6.23.3 and for all other purposes, approval is given to amend the terms of 3,000,000 Options issued to Directors to allow the Options to vest in the holder in the event of a takeover bid or change in control of the Company as set out in the Explanatory Memorandum."

Voting Exclusion Statement – Resolution 7

In accordance with 6.23.3, the Company will disregard any votes cast on Resolution 7 by:

- a person who holds an Option the subject of the approval; and
- any associate of a person who holds an Option the subject of the approval.

However the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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PROXIES

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of the member. If two proxies are appointed, and a member does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a member of the Company.
2. In order to vote on behalf of a company that is a shareholder of DMC a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.
3. Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the registered office of the Company, at Level 3, 1060 Hay Street, West Perth WA 6005, or by facsimile (61 8) 9486 1718 not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.
4. An instrument appointing a proxy:
 - a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
 - b) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
 - c) shall be deemed to confer authority to demand or join in demanding a poll; and
 - d) shall be in such form as the Directors determine and which complies with Section 250A of the Corporations Act 2001 and the Listing Rules;

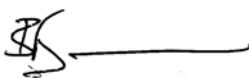
VOTING EXCLUSION

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

ATTENDANCE AND VOTING ELIGIBILITY

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that Shares held at 5.00pm WST on Wednesday, 26 November 2008 will be taken, for the purposes of this Annual General Meeting, to be held by the persons who held them at that time.

BY ORDER OF THE BOARD



Bruce Franzen
Company Secretary
Dated: 16 October 2008

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Explanatory Statement

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of DMC Mining Limited (“**DMC**” or the “**Company**”) in connection with Resolutions 1 to 7 of the Annual General Meeting of members to be held at The Citigate Hotel, ‘The Green Room’, 707 Wellington Street, Perth WA 6000, at 9.00am, 28 November 2008.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting.

1. RESOLUTION 1 – REMUNERATION REPORT

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Following consideration of the remuneration report, the Chairman, in accordance with section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

- board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of directors, secretaries and senior managers of the Company;
- discussion of the relationship between such policy and the Company’s performance; and
- the prescribed details in relation to the remuneration of each Director and certain executives.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2. RESOLUTION 2: TO RE-ELECT A DIRECTOR

Resolution 2 seeks approval for the election of Mr William Witham, who retires by rotation in accordance with Listing Rule 14.4 (which is detailed in section 8.3 of this Explanatory Statement) with Clause 13.2 of the Company’s Constitution and, being eligible, offers himself for re-election as a Director of the Company, with effect from the end of the meeting.

With an Honours degree in Science (Geology) from UWA, and having 19 years experience in the fields of exploration, management, investing and regional development, Mr Bill Witham has an in-depth understanding of the ways in which

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industry, government and financial markets operate. Mr Witham has worked in many countries, with extensive experience in mineral and oil and gas exploration, management, government relations and corporate finance.

Mr. Witham is currently Managing Director of ASX listed company Whinnen Resources Limited.

3. RESOLUTION 3: APPOINTMENT OF AUDITOR

Bentleys Chartered Accountants (“**Bentleys**”) have given notice of their intention to resign as auditors of the Company pursuant to section 329(5) of the Corporations Act effective as at the date of this Annual General Meeting, subject to receipt of the consent of ASIC and Shareholder approval under this Resolution 3.

Subject to ASIC consenting to the resignation of Bentleys submitting a resignation to the Company, it is proposed that the Company appoint Mack & Co as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for Mack & Co to be appointed as auditor of the Company. A copy of this nomination is attached to this Explanatory Statement at Annexure C.

Mack & Co has given its consent to act as the Company’s auditor subject to Shareholder approval of this Resolution 3. Accordingly, the Company now seeks to appoint Mack & Co as auditor of the Company, pursuant to section 327B of the Corporations Act.

If Resolution is passed, the appointment of Mack & Co as the Company’s auditor will take effect at the close of this Annual General Meeting.

The Directors have confidence in Mack and Co.’s independence, professionalism and competence and therefore the Directors support this nomination

4. RESOLUTION 4: RATIFICATION OF ALLOTMENT AND ISSUE OF OPTIONS ISSUED TO CUNNINGHAM SECURITIES PTY LTD

On 31 July 2008 the Company entered into an Underwriting Agreement with Cunningham Securities in relation to the proposed capital raising detailed in section 5 of this Explanatory Statement. Pursuant to the Underwriting Agreement the Company is required to pay a brokerage fee of 1,250,000 Options exercisable at \$0.65 on or before 30 June 2010. On 21 August 2008 the Company issued 1,250,000 options exercisable at \$0.65 cents to Cunningham Securities on the terms and conditions contained in Annexure A.

ASX Listing Rule 7.1 (summarised in section 8.1) requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any 12 month period.

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ASX Listing Rule 7.4 (detailed in section 8.2) allows a company to ratify securities in order to reinstate the Company's capacity to issue up to 15% of its issued securities without Shareholder approval in any 12 month period.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of 1,250,000 Options to Cunningham Securities as a brokerage fee pursuant to the underwriting agreement referred to above.

4.1 ASX Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the Ratification:

- 1,250,000 Options were allotted and issued to Cunningham Securities, who is not a related party of the Company;
- the Options were granted on 21 August 2008;
- the Options were issued for nil consideration;
- once exercised the options will rank equally with the Company's Existing Shares;
- no funds are raised by the issue of options to Cunningham Securities. Once these Options are exercised the funds will be applied to the working capital of the Company;
- the terms and conditions of the Options are contained in Annexure A to this Explanatory Statement; and
- a voting exclusion statement is contained in the Notice.

5. RESOLUTION 5: ISSUE OF SHARES PURSUANT TO PROPOSED CAPITAL RAISING

The Company intends to undertake a capital raising to fund exploration on the Mayoko Iron Ore Project, of 20,000,000 Shares at an issue price to be determined by the Directors at a later date, having regard to the market price of the Shares.

The Company proposes to undertake a capital raising to sophisticated and professional investors (as defined under the Corporations Act) within three months of the General Meeting.

Accordingly Resolution 5 seeks Shareholder approval for the Company to issue a maximum of 20,000,000 Shares to sophisticated and institutional investors at an issue price of not less than 80% of the average closing price of Shares traded 5 days prior to either the date of issue of the Shares or if the Shares are to issued pursuant to an offer document then the day prior to the date the offer document is signed.

Resolution 5 is an ordinary resolution. The issue of the Shares under Resolution 5 is to be approved by Existing Shareholders under the requirement of Listing Rule 7.1. The

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provisions of Listing Rule 7.1 are summarised in section 8.1 of this Explanatory Statement.

5.1 ASX Listing Rule 7.3

The following information is provided in relation to the issue of the Shares pursuant to and in accordance with ASX Listing Rule 7.3:

- the maximum number of securities to be issued is 20,000,000 Shares;
- the allottees have not yet been identified or selected. However, the Shares will be offered only to sophisticated or institutional investors, or investors who otherwise come within the exception to disclosure pursuant to section 708 of the Corporations Act.
- the Shares will be issued at an issue price of not less than 80% of the average closing price of Shares traded 5 days prior to either the date of issue of the Shares or if the Shares are to issued pursuant to an offer document then the day prior to the date the offer document is signed.
- the Shares will be issued no later than three (3) months after the date of the Meeting (or such later date as permitted by any waiver or modification to the ASX Listing Rule) and it is intended that allotment will occur on the same date;
- the Shares issued are ordinary full paid Shares which will rank equally with Existing Shares on issue;
- the funds raised from the issue will be applied to funding exploration on the Mayoko Iron Ore Project and to the working capital requirements of the Company; and
- a voting exclusion statement is contained in the Notice.

6. RESOLUTION 6: APPROVAL TO INCREASE NON-EXECUTIVE DIRECTORS' FEES

Section 13.7 of the Company's Constitution provides that Non-Executive Directors may be collectively paid as remuneration for their services a fixed sum not exceeding an aggregate maximum sum as determined by the Company in General Meeting. Shareholders last approved the aggregate sum of \$150,000 in total on 31 August 2006. There is presently 1 Non-Executive Director who receive the sum of \$50,000 per annum.

Section 202A(1) of the Corporations Act provides that Directors of the Company are to be paid the remuneration determined by the Company by resolution. This Resolution 6 seeks shareholder approval to increase the maximum aggregate annual remuneration payable by the Company to Non-Executive Directors to \$350,000 (inclusive of superannuation contributions).

The Company seeks member approval to increase the aggregate to \$350,000 per annum. The Directors are seeking to expand the Board and secure vital expertise relevant to develop the Company's principal asset the Mayoko Iron Ore Project and it is for this reason that it is necessary to have sufficient remuneration capacity in order to

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attract Non-Executive Directors of the highest calibre. The aggregate sum of \$350,000 has been determined by the Directors taking into consideration the proposed increase in the number of Non-Executive Directors and the market competitive remuneration levels required to attract, retain and fairly reward Non-Executive Directors.

In determining this aggregate sum of \$350,000 the Directors considered the remuneration levels paid by other listed companies to their Non-Executive Directors, future plans of the Company and the expertise required in the development of the Mayoko Iron Ore Project. The Directors are satisfied that the proposed aggregate sum is reasonable having regard to these factors.

There is no current intention to increase remuneration paid to existing Non-Executive Directors.

6.1 ASX LISTING RULE 10.17

The following information is provided in relation to the proposed increase in the aggregate directors' fees payable pursuant to and in accordance with ASX Listing Rule 10.17:

- the present approved amount for Non-Executive Directors' fees is \$150,000 per annum. Accordingly, the amount of the proposed increase shall be \$200,000 to a revised maximum aggregate total of \$350,000 to the Non Executive Directors.
- fees payable to the Non-Executive Directors are fixed sums;
- the total amount payable to Non Executive Directors as fees is \$350,000, inclusive of superannuation.
- a voting exclusion statement is contained in the Notice.

7. RESOLUTION 7: APPROVAL FOR CHANGE TO TERMS AND CONDITIONS OF DIRECTORS OPTIONS

On 15 May 2008, the Company held an extraordinary general meeting, wherein shareholders approved the issue of 3,000,000 Options exercisable at \$0.40 on or before 30 June 2010 (Directors' Options) to directors of the Company, namely Bruce Franzen, William Witham and David Sumich on the terms and conditions contained in part 1 of Annexure B.

Resolution 7 seeks the approval of Shareholders to amend the terms and conditions of the Directors' Options to include a term that permit the Options to vest in the holder in the event of a takeover or a change in control of the Company.

The terms and conditions of the Directors' Options (a copy of which is annexed to this Notice) provide that the Options may be exercised by the Option holder 12 months from issue and thereafter anytime prior to the expiry date. In addition, the holder must be in the employ of the Company for not less than 12 months from the date of issue before the holder is entitled to exercise any of the Options. The Options were issued on 19 May 2008, if the Directors remain in the employment of the Company for a period of 12 months, they will be eligible to exercise the Options on and from 19 May 2009 at any time, up to 30 June 2010.

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In an administrative error, the Company omitted to include a clause that provided that in the event of a takeover or change of control in the Company, the Options should vest in the holder immediately in the form contained in part 2 of Annexure B ("Vesting Term"). Other unlisted options granted by the Company which contain a condition precedent to exercise of 12 months of continuous employment with the Company from issue, all contain provisions similar to the Vesting Term. The Company now wishes to amend the terms of the Options to include the Vesting Term.

The inclusion of the Vesting Term in the terms and conditions of the Directors' Options may have the effect of increasing the period of exercise of the Directors' Options, if, a takeover or change in control of the Company occurs prior to 19 May 2009.

Listing Rule 6.23.3 provides that a change which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise cannot be made. ASX has granted waiver from Listing Rule 6.23.3 to the Company, to the extent necessary to permit the Company to seek Shareholder approval to amend the terms of the Directors' Options to include the Vesting Term.

The Directors who hold the Directors' Options will abstain from voting on this Resolution because they have a material personal interest in the outcome of this Resolution and it is condition of the waiver granted by ASX that any votes cast by Shareholders who hold the Directors' Options be disregarded. A voting exclusion statement is included in the Notice of Meeting.

8. Regulatory Requirements

8.1 ASX Listing Rule 7.1

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. The limitation is to 15% of a company's capital in any 12 month period.

Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

As the proposed issue of Shares and Options under all of the Resolutions will result in an issue of more than 15% of the Company's capital in a 12 month period, shareholder approval is required under Listing Rule 7.1 for the issue of Shares under Resolutions 4 and 5. However, pursuant to Listing Rule 7.2, if Listing Rule 10.11 or 7.4 shareholder approval is being sought, approval under Listing Rule 7.1 is not required.

Accordingly, as Listing Rule 7.4 shareholder approval is sought for Resolution 4 approval under Listing Rule 7.1 is not required for Resolution 4.

Approval is being sought under Listing Rule 7.1 in relation to Resolution 5 which is the issue of Shares for the proposed capital raising detailed in section 5 of this Explanatory Statement.

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Following the approval of the issue of these Shares referred to above, the Company will still have the capacity to issue 15% of its expanded share capital over the next 12 months as the Consultants' Shares once issued will be excluded from the calculation under Listing Rule 7.1.

8.2 ASX Listing Rule 7.4

As outlined in section 8.1 of this Explanatory Statement chapter 7 of the Listing Rules limits the capacity of a company to enlarge its share capital by the issue of equity securities without shareholder approval. That limit being 15% of a company's share capital in any 12 month period. ASX Listing Rule 7.4 sets out an exception to Listing Rule 7.1. This rule provides that where a company in general meeting ratifies a previous issue of securities made without shareholder approval under ASX Listing Rule 7.1, those securities shall be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

On 21 August 2008, the Company issued 1,250,000 Options to Cunningham Securities as a brokerage fee pursuant to the Underwriting Agreement entered into between the Company and Cunningham Securities. At the time of issue these issues did not cause the Company to exceed the 15% limit.

The Company now seeks approval under Resolution 4 to exclude this issue from the calculation for the issue of further securities in a 12 month period pursuant to Listing Rule 7.4. The rule allows a company to obtain subsequent approval for an issue of securities and thereby have the issue treated for the purpose of Listing Rule 7.1 as if it had received prior approval.

8.3 ASX Listing Rule 14.4

Listing Rule 14.4 requires that at every Annual General Meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. Accordingly, the Company seeks approval by Shareholders for the re-election of William Witham under Resolution 2.

ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Statement carefully before deciding how to vote on each Resolution.

Attached to the Notice of Meeting is a proxy form for use by Shareholders. Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the Meeting in person.

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Annual Report 2008

The Annual Report 2008 can be accessed online at the Company's website www.dmcmining.com.au

Enquiries

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Statement should be directed to the Company's Managing Director, Mr David Sumich or Executive Director/Company Secretary, Mr Bruce Franzen (telephone: +61 8 9486 1909).

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9. GLOSSARY OF TERMS

In this Explanatory Statement:

“ACN”	Australian Company Number
“ASIC”	Australian Securities and Investments Commission.
“ASX”	ASX Limited (ACN 008 624 691) Australian Securities Exchange Limited
“ASX Listing Rules” or “Listing Rules”	The Official Listing Rules of ASX as amended from time to time.
“Corporations Act”	The Corporations Act 2001 (Commonwealth).
“Constitution”	Means the constitution of the Company
“Cunningham Securities”	Cunningham Securities Pty Ltd (ACN 088 055 636)
“Director”	A director of DMC.
“Directors’ Option”	An option to purchase a Share and otherwise on the terms set out in Annexure B to this Explanatory Statement.
“DMC” or “Company”	DMC Mining Limited (ABN 38 121 513 620).
“Existing Shares”	The 43,587,607 issued fully paid Shares in the Company currently on issue.
“Explanatory Statement”	This explanatory statement accompanying the Notice.
“Existing Shareholder”	The holder of an Existing Share.
“Listing Rule”	The Listing rules of ASX
“Options”	An option to subscribe for a Share and otherwise on the terms set out in Annexure “A” to this Explanatory Statement.
“Meeting or Annual General Meeting”	The Annual General Meeting of the Company to be held on 28 November 2008.
“Non-Executive Director”	Means a director of the Company who is not an executive director.
“Notice of Meeting or Notice”	The notice convening the Meeting, which accompanies this Explanatory Statement.
“Registered Office”	Level, 3, 1060 Hay Street, West Perth WA 6005
“Resolutions”	Resolutions in the Notice of Meeting.
“Share”	A fully paid ordinary share in the capital of the Company.
“Shareholder”	The registered holder of a Share in the Company.
“WST”	Western Standard Time in Australia

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PROXY FORM

I/We
Of

The Secretary
DMC Mining Limited
PO Box 1191

WEST PERTH WA 6872

being a member/members of DMC Mining Limited (the “Company”) hereby appoint

_____ of _____
 Print proxy's name in full

 of _____
 print proxy's address
 and (if you wish to appoint two proxies) _____
 print second proxy's name in full

 of _____
 print second proxy's address

or, in the proxy's/proxies' absence or if no other appointee is mentioned, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **The Citigate Hotel, 'The Green Room', 707 Wellington Street, Perth, Western Australia 6000, at 9.00am, 28 November 2008** and at any adjournment of that meeting in respect ofof my/our shares or, failing any number being specified, ALL of my/our shares.

<p>If you do not wish to direct your proxy how to vote, please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.</p> <p>Proxies appointing the Chairman which do not specify the way in which the proxy is to vote on a particular resolution will be recorded as voting in favour of the resolutions.</p>	<input style="width: 30px; height: 30px; border: 1px solid black;" type="checkbox"/>
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If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a resolution, the proxy may abstain or vote at his or her discretion.

I/We direct my/our proxy to vote as indicated below:

ORDINARY BUSINESS RESOLUTION	FOR	AGAINST	ABSTAIN
1. Adoption of Remuneration Report	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>
2. Election of Director – Mr William Witham	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>
3. Appointment of Auditor	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>
4. Ratification of Allotment and Issue of Options Issued to Cunningham Securities Pty Ltd	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>
5. Issue of Shares Pursuant to Proposed Capital Raising	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>
6. Increase in Maximum Aggregate of Remuneration to Non-Executive Directors	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>
7. Change to Terms and Conditions of Options	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>

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Note:	<ol style="list-style-type: none">1. If you have appointed two proxies the proportion of your voting rights allocated to each proxy is: Proxy No. 1 _____ % Proxy No. 2 _____ %.2. If the appointment of a proxy is signed by the appointor's attorney, this form must be accompanied by the authority under which the appointment was signed, or a certified copy of the authority.
The completed Form of proxy may be:	
<ol style="list-style-type: none">(a) Mailed to the address on this form; or(b) Faxed to the Company on (08) 9486 1718	

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Annexure A

Terms of the \$0.65 Options

On 21 August 2008 the Company issued 1,250,000 (one million two hundred and fifty thousand) \$0.65 Options with an Exercise Price \$0.65 exercisable on or before 30 June 2010 to Cunningham Securities on the following terms:

- (a) Each option will lapse if not exercised on or before the 30 June 2010 ("Expiry Date").
- (b) Each option shall entitle the holder to subscribe for and to be allotted one share in the capital of the Company upon exercise of the Option and payment to the Company of the Exercise Price.
- (c) An option may be exercised by the option holder at any time up to 5pm WST 30 June 2010 by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the statement for the option, to the Company's Share Registry. If the option holder holds more than one option, the options may be exercised in whole or in part.
- (d) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price (65c per new option) in cash or cleared funds.
- (e) Subject to any restrictions in the ASX Listing Rules, within 14 days of receipt of a properly executed notice of exercise and the required application moneys, the number of shares specified in the notice will be allotted.
- (f) Each statement will bear a suitable form of notice of exercise of the options, endorsed on the back of the statement, for completion by the option holder (if required). If the options comprised in any such statement are exercised in part only, before the Expiry Date, the Company will issue the option holder with a fresh statement for the balance of the options held and not yet exercised.
- (g) The period during which the options may be exercised will not be extended.
- (h) The option holder is not entitled to participate in new issues of securities offered to shareholders. The option holder can participate in new issues of securities offered to shareholders if the option is exercised at least 10 business days before the relevant record date for that new issue.
- (i) If from time to time before the expiry of the options the Company makes an issue of Shares to the holders of Shares by way of capitalisation of profits or reserves (a "bonus issue"), other than in lieu of a dividend payment, then upon exercise of an option the option holder will be entitled to have issued to it, in addition to the Shares which it is otherwise entitled to have issued to it upon such exercise, additional shares in the Company. The number of additional Shares is the number of Shares which would have been issued to it under that bonus issue ("bonus shares") if on the date on which entitlements were calculated it had been registered as the holder of the number of Shares which it would have been registered as holder if immediately before that date it had exercised its options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the

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- bonus issue and upon issue will rank equally in all respects with the other Shares allotted upon exercise of the options.
- (j) In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any options, all rights of the option holder, will be reconstructed (as appropriate) in accordance with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation.
 - (k) Shares allotted pursuant to the exercise of the options will rank equally with the then issued Shares of the Company.
 - (l) Should the Company at any time over the life of the option be readmitted to the ASX and an option holder exercises options post the readmission date, the Company undertakes to apply for official quotation by ASX of all Shares allotted pursuant to the exercise of any options, within 10 business days of the date of allotment of those Shares.
 - (m) Other than as referred to above, the option does not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised.

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Annexure B

Terms of Directors' Options

1. As at date of the Annual General Meeting the terms and conditions of the Directors' Options are as follows:

The Options were granted on 19 May 2008 the following terms:

- (a) Each Option will lapse if not exercised on or before 30 June 2010 ("Expiry Date").
- (b) Each Option shall entitle the holder to subscribe for and to be allotted one share in the capital of the Company upon exercise of the option and payment to the Company of the Exercise Price.
- (c) An Option may be exercised by the option holder twelve (12) months from issue and thereafter any time prior to the expiry date by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the statement for the option, to the Company's Share Registry. If the option holder holds more than one option, the options may be exercised in whole or in part.
- (d) The holder must be in the employ of the Company for not less than twelve (12) months from the date of issue before the holder is entitled to exercise any options.
- (e) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.
- (f) Subject to any restrictions in the ASX Listing Rules, within 14 days of receipt of a properly executed notice of exercise and the required application moneys, the number of shares specified in the notice will be allotted.
- (g) Each statement will bear a suitable form of notice of exercise of the options, endorsed on the back of the statement, for completion by the option holder (if required). If the options comprised in any such statement are exercised in part only, before the expiry date, the Company will issue the option holder with a fresh statement for the balance of the options held and not yet exercised.
- (h) The period during which the options may be exercised will not be extended.
- (i) The Option holder is not entitled to participate in new issues of securities offered to Shareholders. The option holder can participate in new issues of securities offered to shareholders if the option is exercised before the relevant record date for that new issue.
- (j) If from time to time before the expiry of the options the Company makes an issue of Shares to the holders of Shares by way of capitalisation of profits or reserves (a "bonus issue"), other than in lieu of a dividend payment, then upon exercise of an option the option holder will be entitled to have issued to it, in addition to the Shares which it is otherwise entitled to have issued to it upon such exercise, additional shares in the Company. The number of additional Shares is the number of Shares which would have been issued to it under that bonus issue ("bonus shares") if on the date on which entitlements were calculated it had been registered as the holder of the number of Shares which it would have been registered as holder if immediately before that date it had exercised its options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank equally in all respects with the other Shares allotted upon exercise of the options.
- (k) In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any options, all rights of

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the option holder, will be reconstructed (as appropriate) in accordance with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation.

- (l) Shares allotted pursuant to the exercise of the options will rank equally with the then issued Shares of the Company.
- (m) Should the Company at any time over the life of the option be readmitted to the ASX and an option holder exercises options post the readmission date, the Company undertakes to apply for official quotation by ASX of all Shares allotted pursuant to the exercise of any options, within 10 business days of the date of allotment of those Shares.
- (n) Other than as referred to above, the option does not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised.

2. Following the Annual General Meeting and subject to the conditions contained in the waiver granted by ASX being satisfied including Resolution 9 being approved by Shareholders, the terms and conditions of the Directors Options will be as follows:

The Options were granted on 19 May 2008 the following terms:

- (a) Each Option will lapse if not exercised on or before 30 June 2010 ("Expiry Date").
- (b) Each Option shall entitle the holder to subscribe for and to be allotted one share in the capital of the Company upon exercise of the option and payment to the Company of the Exercise Price.
- (c) An Option may be exercised by the option holder twelve (12) months from issue and thereafter any time prior to the expiry date by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the statement for the option, to the Company's Share Registry. If the option holder holds more than one option, the options may be exercised in whole or in part.
- (d) The holder must be in the employ of the Company for not less than twelve (12) months from the date of issue before the holder is entitled to exercise any options.
- (e) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.
- (f) Subject to any restrictions in the ASX Listing Rules, within 14 days of receipt of a properly executed notice of exercise and the required application moneys, the number of shares specified in the notice will be allotted.
- (g) Each statement will bear a suitable form of notice of exercise of the options, endorsed on the back of the statement, for completion by the option holder (if required). If the options comprised in any such statement are exercised in part only, before the expiry date, the Company will issue the option holder with a fresh statement for the balance of the options held and not yet exercised.
- (h) Subject to clause (i), The period during which the options may be exercised will not be extended.
- (i) Notwithstanding anything else contained in these terms and conditions, in the event that:
 - a. an entity, either alone or together with any associate, acquires a relevant interest in more than 50% of the issued capital in the Company, within the meaning of the Corporations Act; or

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- b. a takeover bid is made for all of the Shares within the meaning of the Corporations Act and pursuant to that bid, the bidder acquires a 50% (fifty percent) or greater unconditional interest in the Company,

the Company shall issue to each of the Options holders a notice confirming that the Option holder may convert some or all of its Options to Shares in accordance with the terms contained in the notice, and each Option holder will be entitled to convert some or all of its Options into Shares.

- (j) The Option holder is not entitled to participate in new issues of securities offered to Shareholders. The option holder can participate in new issues of securities offered to shareholders if the option is exercised before the relevant record date for that new issue.
- (k) If from time to time before the expiry of the options the Company makes an issue of Shares to the holders of Shares by way of capitalisation of profits or reserves (a "bonus issue"), other than in lieu of a dividend payment, then upon exercise of an option the option holder will be entitled to have issued to it, in addition to the Shares which it is otherwise entitled to have issued to it upon such exercise, additional shares in the Company. The number of additional Shares is the number of Shares which would have been issued to it under that bonus issue ("bonus shares") if on the date on which entitlements were calculated it had been registered as the holder of the number of Shares which it would have been registered as holder if immediately before that date it had exercised its options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank equally in all respects with the other Shares allotted upon exercise of the options.
- (l) In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any options, all rights of the option holder, will be reconstructed (as appropriate) in accordance with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation.
- (m) Shares allotted pursuant to the exercise of the options will rank equally with the then issued Shares of the Company.
- (n) Should the Company at any time over the life of the option be readmitted to the ASX and an option holder exercises options post the readmission date, the Company undertakes to apply for official quotation by ASX of all Shares allotted pursuant to the exercise of any options, within 10 business days of the date of allotment of those Shares.
- (o) Other than as referred to above, the option does not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised.

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ANNEXURE C

**NOMINATION FROM A SHAREHOLDER FOR THE APPOINTMENT OF MACK & CO CHARTERED
ACCOUNTANTS AS AUDITOR THE SUBJECT OF RESOLUTION 4**

16 October 2008

The Company Secretary
DMC Mining Limited
Level 3, 1060 Hay Street
West Perth WA 6005

Dear Sirs

**NOMINATION OF MACK & CO CHARTERED ACCOUNTANTS AS AUDITOR OF
DMC MINING LTD**

I, David Sumich, being a shareholder of DMC Mining Ltd, hereby nominate Mack & Co Chartered Accountants of 2nd floor, 35 Havelock Street, West Perth, Western Australia 6005 for appointment as auditor of DMC Mining Ltd at its 2008 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2008 Annual General Meeting of DMC Mining Ltd as required by section 328B (3) of the Corporations Act 2001.



David Sumich