DSF International Holdings Limited (“DSF” or “Company”) has entered into a conditional Heads of Agreement with Niuminco Limited (“Niuminco”) and its major shareholders (representing 80% of the issued capital of Niuminco), to acquire 100% of Niuminco, on a 100% scrip basis (“the Transaction”). The remaining shareholders of Niuminco are expected to complete Deeds of Adherence to be bound by the sale terms under the Heads of Agreement, within the next 30 days.

Investment highlights

- Niuminco is well positioned to be a globally significant gold producer with gold mining and exploration assets in Papua New Guinea
- Niuminco’s Edie Creek project is strategically positioned in the middle of a major Gold Province and is adjacent to the Hidden Valley Operations with access to good infrastructure
- Immediate drill targets have been identified at the Edie Creek project
- Opportunity to further consolidate adjacent joint venture leases
- Potential to develop exploration targets, in particular its May River project that lies adjacent to Xstrata’s Frieda River project and its Bolobip Copper/gold porphyry tenement, which is situated within close proximity to the Ok Tedi Copper mine
- Leverage off Management’s intimate knowledge & networks in PNG

Background of Niuminco

Niuminco is an Australian unlisted public company that was incorporated in 2006 and is the first company to establish a significant land control position at Edie Creek via direct ownership of leases and agreements with other leaseholders.

The Edie Creek project is strategically positioned in the middle of a major Gold Province with access to good infrastructure. The property adjoins the Newcrest-Harmony’s Hidden Valley project, where estimated annual gold production is 255,000 oz.

Over the past two years, Niuminco has constructed a new base camp at Edie Creek to house 200 workers, employing a large component of local workforce and installing systems and infrastructure to improve and expand the current oxide gold mining operations. Niuminco has produced approximately 3,000 oz of gold and 2,600 oz of silver over the 12 months ended 31 December 2009 using gravity processing methods,
treating surface mineralisation including weathered outcrop ore, eroded alluvial mineralisation and mineralised overburden, and tailings remaining from previous operations.

A recent exploration study conducted by Exploration Management Services recognises the Edie Creek project as having exciting potential based on its geological structure. It notes that because of the extensive structural preparation in the region, the Edie Goldfield has the potential for a large gold-silver resource. Known fractures, thrust planes and faults have a clear potential to host from 1 to 2 million ounces of gold, and there are strong indications for the existence of un-recognised fractures and thrust planes. This target is conceptual in nature only and there has been insufficient exploration to define a Mineral Resource and it is uncertain at this stage if further exploration will result in the determination of a Mineral Resource

**Niuminco Exploration**

An exploration program based on trench mapping and sampling commenced in April 2010. The exploration program that commenced in April 2010 is ongoing and results are not yet complete or available. Trenches and continuous exposures of bedrock were created by excavator over lengths from 100 to 350 metres, and channel sampled on 2 metre intervals. Samples are sent to Townsville for analysis for gold, base metals and pathfinder metals.

The detailed trench mapping is being supplemented by regional geological mapping over the entire tenement block. Initial results have led to the identification of several structural controls on the gold mineralisation which explain the different lode and vein mineralisation styles.

Supplementing this field work is the digitisation of the underground workings (last worked in 1941) to produce a 3-dimensional model of the Edie-Karuka and Enterprise Lodes. This modelling has confirmed the structural models built on the surface mapping.

A 3,500 metre diamond drill program of 25 holes to a maximum depth of 220 metres will be completed by end October 2010. An initial 10,000 metre RC/AirCore drill program is planned, and may commence before the end of the year.

Gold mineralisation at Edie Creek is classified as Low-sulphidation Epithermal Gold-silver. At least 2 phases of mineralisation are evident, one phase having a strong ferro-manganese carbonate association - this latter style often has strong associations with deep seated copper-gold epithermal mineralisation.

The major lodes are seen as strong clay-pyrite altered material in lodes from 0.5 to 2.5 metres thick and have been worked in the past to depths exceeding 150 metres. These lodes fill complex dilational jog fracture zones and can be traced over a strike length exceeding 2 kilometres. Lodes with similar mineralisation setting fill low angle thrust faults with a strike length exceeding 1.5 km.

Gold is also associated with narrow quartz-manganese oxide or quartz-iron oxide veins. These veins are generally narrow, but can host gold to 100s of ounces per tonne. Vein spacing and distribution occurs in the Ingopae Fault Corridor to such a level to allow bulk mining to achieve head grades of 2.3 gm/t gold.
Future Strategy

Following the acquisition of Niuminco by the Company, its focus will be on the following low cost/high return exploration and corporate strategies to capture significant value for investors:

- Immediately develop identified drill targets at the Edie Creek project.

- Extract gold from a number of identified stockpiles of gold bearing material on site at Edie Creek, which are a product of previous stripping to gain access to high grade lines.

- Conclude Joint venture agreements that have already been agreed in principle between Niuminco and adjacent lease holders that offers an opportunity to further consolidate adjacent JV leases at Edie Creek. This could increase the area under Niuminco’s control from 484 hectares to approximately 900 hectares.

- Conduct engineering and metallurgical studies that will determine the most appropriate design of capital equipment, grade controls and infrastructure requirements to develop the project into a profitable mining company within the next 18 months;

- Develop exploration targets, which have significant exploration potential, including the May River tenement (EL1441), which is situated adjacent to Xstrata’s Frieda River project and its Bolobip Copper/gold porphyry tenement, which is situated within close proximity to the Ok Tedi Copper mine. The Frieda River project is shaping up to be a world class undeveloped copper/gold resource with an estimated NPV of US$487 million being placed on the project.

- Capitalise on other exciting exploration projects that may become available in the country. Niuminco’s key management has spent over 35 years in PNG and have developed intimate knowledge and networks in PNG.

In summary, Niuminco’s tenement package offers a golden opportunity to commit funds to exploration and mine engineering studies in areas of known mineral occurrences that have not been fully exploited through modern advanced exploration techniques. A variety of highly prospective geological terrains have been identified, with the strategy of offering investors a balanced exposure to brownfield exploration at the current Edie Creek mine and to ongoing greenfield exploration at its exploration leases (and in particular the exciting May River and Bolobip tenements).
TRANSACATION SUMMARY AND PRIORITY OFFER

DSF is acquiring Niuminco shares on a 100% scrip basis. As a component of the acquisition, DSF intends to undertake the following capital changes, subject to shareholder approval at a general meeting to be called by DSF:

- convert current related party liabilities owed to its directors, being $198,300 as at 31 July 2010, accruing at $11,000 per calendar month and $55,000 owed to Albion Capital Partners, both non interest bearing, and any DSF debt up to the time of completion, to DSF shares at 0.75 cents each (pre-consolidation) (Related Party Debt Conversion);

- raise up to $150,000 by a placement of DSF shares at 0.75cents each to provide funds for transaction costs to be incurred by DSF in the Sale (Transaction Placement);

- undertake a consolidation of DSF’s issued capital on a 1 for 20 basis (“the Consolidation”);

- issue a prospectus (the Prospectus) and to undertake a share purchase plan (Priority Offer) of up 3,750,000 DSF shares post-consolidation to raise up to $750,000 at 20c per share, to enable compliance by DSF with the ASX Listing rules regarding shareholder spread of at least 400 shareholders holding a parcel of shares worth $2,000, post consolidation, the issue of a prospectus and the issue of shares at 20c each, as required following on from a change in nature or scale of business under the ASX Listing Rules;

- issue approximately 101,311,891 shares post-consolidation to the existing Niuminco shareholders, in consideration for the transfer to DSF by them respectively of all of their shares in Niuminco (Vendor Issue).

- issue 4,000,000 options in DSF to Trevor Neale (“Neale”), exercisable at 10c each at any time between the first and third anniversary from the date of Completion (“Neale options”). The Neale options have been issued as full settlement of the original purchase consideration between Neale and Niuminco dated 13 April 2007;

- issue 15,000,000 unlisted Options in DSF exercisable at any time up to 30 September 2013 at 20c each to Niuminco’s financial adviser, Taupe Financial Services Pty Limited (Taupe Financial Services) who is an option holder in Niuminco (New Options), in consideration of the cancellation of their existing options in Niuminco on completion of the Sale (Vendor Options);

- issue three tranches of 5,000,000 unlisted performance options options each in DSF, being an aggregate of 15,000,000 performance options (the Performance Options). The first such tranche will vest on Niuminco achieving an inferred JORC resource of 1 million gold ounces at Niuminco’s current leases, covering the Edie Main, Enterprise and Karuka lodes as well as the surrounding joint venture properties (the “Current Areas”) with the second and third tranches vesting on each additional inferred resource of 1 million gold ounces achieved by Niuminco in the Current Areas, respectively. The Performance Options will be exercisable, post vesting, at any time up to 30 September 2013 at 20c each, and
will replace the existing performance options in Niuminco (Vendor Performance Options);

- raising of up to $3,600,000 post-consolidation, through the issue of up to 18,000,000 DSF post-consolidation shares at 20c each, with the minimum subscription being $2000,000 (including any funds raised under the Priority Offer) or through the issue of issues in Niuminco prior to the issue by DSF of the Notice of Meeting (General Offer). Capital raisings fees may be payable with respect to the General Offer which fees may be paid away in whole or part to licensed brokers.

- on completion of the Sale, pay to Viaticus Capital Pty Ltd (Viaticus) an amount of $50,000 plus GST and issue to Viaticus 2,500,000 post-consolidation shares in DSF and 1,000,000 unlisted options in DSF exercisable at any time up to 30 September 2013 at 20 cents each. (“Viaticus Fee”).

- In the event that not all of the shareholders of Niuminco sign Deeds Of Adherence to be bound by the Sale Agreement as Vendors within 30 days of this Agreement, (unless such period is extended by mutual agreement by Niuminco and DSF) then Niuminco will pay to DSF a break fee of $250,000 plus GST to compensate DSF for management time and costs incurred in due diligence, preparing notices of meeting and related documentation for the Transaction (“DSF Break Fee”).

- In the event that DSF shareholders do not approve the Sale, following upon satisfaction of due diligence by DSF and Niuminco, and execution of all required Deeds of Adherence by the Vendors, then DSF will pay Niuminco a break fee of $250,000 plus GST, to compensate Niuminco for management time and costs incurred in due diligence and preparing documentation for the Transaction. (“Niuminco Break Fee”).

The shares and options on issue post the above transactions are as set out in Schedule 1.

**BOARD OF DIRECTORS**

On completion of the Sale, DSF will procure that its existing directors will resign and the following will be invited to join the board as the new directors:

- Mr David Fuller as Non Executive Chairman
- Mr Arthur L. Jones as a Non Executive Director
- Mr Stephen Turner as a Non Executive Director
- Mr Terence Willsteed as a Non Executive Director

Upon completion, Niuminco will nominate and the Board of DSF will appoint a new CEO and CFO at a salary and on terms agreed by Niuminco.

The profiles of the directors are as follows:

**Mr David Fuller, Non Executive Chairman.**

David Fuller is Chairman of The Nepean Group and Managing Director of Nepean Engineering, based in Narellan, NSW and founded in 1974. David has grown the
business turnover to exceed A$400m and employs over 1,000 people operating throughout Australia and in seven overseas countries. David has been a significant investor in a number of PNG companies, including Pacific Capital Ltd and Papua Petroleum Ltd.

Mr Arthur L Jones, OBE, Non Executive Director

Arthur Jones spent more than 35 years in PNG developing and operating export related commodity businesses. During that time he has accumulated an extensive knowledge of the people and their local culture and experience in dealing with landowners and government departments, being awarded the Independence Medal in 1996. He was founding secretary of the PNG Coffee Exporters Council and has promoted PNG businesses internationally which culminated in Arthur being awarded an OBE in 1993 in recognition of his services to PNG agriculture. He has developed, over three decades, an extensive network of relationships both at provincial and federal levels in PNG. He joined ANGCO in 1972, PNG’s largest coffee exporter and was managing director for 18 years. Arthur was a founding Director of New Guinea Energy Limited (“NGE”) and Director of Papua Petroleum Limited.

Mr Stephen Turner, Non Executive Director

Stephen Turner, founder of LSE listed International Ferro Metals, has over twenty years experience in financial markets and for the last fifteen years has specialised in the natural resources sector.

Stephen has delivered resource projects in Australia, Southern Africa, Fiji, New Caledonia and the Solomon Islands. He was a founding director of the Australian subsidiary of PSG Investment Group, then South Africa’s sixth largest investment bank. He has an extensive network of business contacts and has raised equity capital in Australia, the UK, Hong Kong, Malaysia and the USA. Stephen is an Australian Chartered Accountant. Stephen is currently a non executive Deputy Chairman of International Ferro Metals Limited and a Non Executive Director of Iluka Resources Limited.

Mr Terence (Terry) Willsteed, Non Executive Director

Terry Willsteed holds a Bachelor of Engineering (Mining) Honours degree, is a Fellow of the Australasian Institute of Mining and Metallurgy and has, since 1973, been the Principal of consulting mining engineers, Terence Willsteed & Associates. His forty year career in the mining industry has included senior line operational and engineering positions with Zinc Corporation Mt Isa Mines Ltd and Consolidated Goldfields Ltd. Other public directorships include European Gas Limited up to 1 September 2009, International Ferro Metals Limited, Citigold Corporation Limited and Goldsearch Limited.

In his consulting experience, Terry has been involved in the assessment and development of a wide range of mineral, coal and oil shale projects, and has participated in the management of developing and operating mineral projects both in Australia and internationally.
SHAREHOLDERS MEETING

- DSF will shortly convene a shareholders’ meeting to approve each of the above issues of shares and options, share consolidation, the changing of the name of DFS to “Niuminco Group Limited” and all other resolutions required to implement the Transaction on the terms outlined above.

- The Transaction is conditional on shareholder approval as it involves a change in the nature and scale in the business of DSF as defined under Chapter 11 of the Australian Stock Exchange (“ASX”) Listing Rules. Accordingly, DSF will be required to comply with Chapters 1 and 2 of the ASX Listing Rules.

CAPITAL RAISING

A Prospectus will be issued following the receipt of all necessary shareholder approvals for:

- the General Offer to raise up to $3,600,000;
- the Priority Offer to existing shareholders, in the form of a share purchase plan;
- to remove any secondary trading restrictions on the shares issued prior to the issue of the Prospectus; and
- to enable the Company to comply with Chapters 1 and 2 of the ASX Listing Rules.

Further details on all of the items outlined above will be contained in the Notice of Meeting and/or the Prospectus.

TIMETABLE

The below timetable is indicative only, and is subject to change:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Execution of Heads of Agreement</td>
<td>31 August 2010</td>
</tr>
<tr>
<td>Completion of due diligence investigations</td>
<td>30 September 2010</td>
</tr>
<tr>
<td>Despatch of Notice of Meeting</td>
<td>1 October 2010</td>
</tr>
<tr>
<td>General Meeting of Shareholders</td>
<td>1 November 2010</td>
</tr>
<tr>
<td>Completion of Consolidation (1 for 20)</td>
<td>13 November 2010</td>
</tr>
<tr>
<td>Prospectus for capital raising lodged with ASIC</td>
<td>15 November 2010</td>
</tr>
<tr>
<td>Prospectus offers close</td>
<td>13 December 2010</td>
</tr>
<tr>
<td>DSF re-commences trading on ASX</td>
<td>17 December 2010</td>
</tr>
</tbody>
</table>
Statement as to Competency

The Exploration Results in this report have been compiled by Mr Geoff Turner, who is a member of the Australian Institute of Geoscientists, has more than 10 years in the estimation, assessment, and evaluation of mineral resources and ore reserves, and has more than 10 years in exploration for the relevant style of mineralisation that is being reported. In these regards, Geoff Turner qualifies as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

Geoff Turner is contracted to Niuminco Ltd through his company Exploration Management Services Pty Ltd, and consents to the inclusion in this report of these matters based on the information in the form and context in which it appears.

ENDS

For Additional Information please contact

<table>
<thead>
<tr>
<th>Mr Gavin Rezos,</th>
<th>Mr Dion Cohen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Viaticus Capital Pty Ltd</td>
<td>Niuminco Limited</td>
</tr>
<tr>
<td>+61 412 898-235</td>
<td>+61 2-8298-2008</td>
</tr>
</tbody>
</table>
SCHEDULE 1

PROPOSED DSF CAPITAL STRUCTURE

DSF International Holdings Limited to be renamed Niuminco Group Limited.

Pro Forma Capital Structure post the above mentioned capital changes are as follows:

**Ordinary Shares**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Original Holders:</td>
<td>9,104,017</td>
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<tr>
<td>Related Party Debt (at 31/7/10)</td>
<td>1,688,667</td>
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<td>Conversion</td>
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<td>Transaction Placement:</td>
<td>1,000,000</td>
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<tr>
<td>Viaticus Shares:</td>
<td>2,500,000</td>
</tr>
<tr>
<td>SPP Shares:</td>
<td>3,750,000</td>
</tr>
<tr>
<td>Vendor issue:</td>
<td>101,311,891</td>
</tr>
<tr>
<td></td>
<td>119,354,575</td>
</tr>
<tr>
<td>General Offer:</td>
<td>18,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>137,354,575</td>
</tr>
</tbody>
</table>

**Options**

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
<th>Expiring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed Options at 60c:</td>
<td>3,506,372</td>
<td>31/12/12</td>
</tr>
<tr>
<td>Unlisted Options at 40c:</td>
<td>1,500,000</td>
<td>31/12/12</td>
</tr>
<tr>
<td>Unlisted Options at 60c:</td>
<td>1,500,000</td>
<td>31/12/12</td>
</tr>
<tr>
<td>Unlisted Options at $1.00:</td>
<td>2,000,000</td>
<td>31/12/12</td>
</tr>
<tr>
<td>Viaticus Options at 20c:</td>
<td>1,000,000</td>
<td>30/09/13</td>
</tr>
<tr>
<td>Neale Options at 10c*:</td>
<td>4,000,000</td>
<td>30/09/13</td>
</tr>
<tr>
<td>Niuminco Options at 20c:</td>
<td>15,000,000</td>
<td>30/09/13</td>
</tr>
<tr>
<td>Performance Options at 20c</td>
<td>15,000,000</td>
<td>30/09/13</td>
</tr>
<tr>
<td><strong>Total Options</strong></td>
<td><strong>44,506,372</strong></td>
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*The Company will be seeking a waiver from Condition 11 of Listing Rule 1 to enable the Company to have options on issue with an exercise price of less than $0.20. The Company cannot guarantee that any waiver application will be granted.*