

16 November 2016

ASX ANNOUNCEMENT

PROGRESS UPDATE AT MERLIN DIAMOND MINE

Merlin Diamonds Limited (ASX: MED) announces that ramp up of operations is progressing well at the Merlin diamond mine.

A total of 29 000 tonnes of ore from the oversize stockpiles has been crushed and screened to date for treatment through the dense media separation plant.

The final recovery section has been commissioned allowing continuous rather than batch operations to take place and diamonds are now being recovered on a daily basis.

A back-up power supply for the plant and improved reticulation has also been successfully commissioned.

Mining equipment is being mobilised this week for a short mining campaign before the end of the year to supplement ore stockpile inventories.