



23 December 2016

ASX ANNOUNCEMENT

The Company provides the following information in relation to the issue of shares under Listing Rule 7.1A as required by Listing Rule 3.10.5A.

a) Details of the dilution to the existing holders ordinary securities caused by the issue:

The Company issued 64,750,000 shares under Listed Rule 7.1A. This resulted in the following dilution to existing shareholders:

Number of shares on issue prior to share issue	653,014,282	Dilution
Shares issued under Listing Rule 7.1A	64,750,000	9.02%
Total Shares on issue	717,764,282	

b) Where the equity securities are issued for cash consideration, a statement of the reasons why the eligible entity issued the equity securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing ordinary security holders would have been eligible to participate:

Private placements are an efficient and expedient method for raising funds.

c) Details of any underwriting arrangements, including any fees payable to the underwriter:

The placement was not underwritten.

d) Any other fees or costs incurred in connection with the issue:

A fee of 6% was paid to two external parties who arranged the placement. Apart from ASX related security listing fees and share registry fees, no other fees or costs were incurred in connection with the issue.

Merlin Diamonds Limited ABN 86 009 153 119

Level 1A, 42 Moray Street Southbank VIC 3008

T: +61 3 8532 2858 F: +61 3 8532 2805

W: www.merlindiamonds.com.au E: info@merlindiamonds.com.au