



11 February 2019

Update on Suspension

Merlin and ASX met recently and as a result:

1. Merlin ("MED") is prepared to reconstitute the board so that it comprises a majority of independent directors.
2. Also to terminate the service deed dated the 31 August 2009 between MED and Axis Consultants Pty Ltd ("AXIS") under which AXIS provides Merlin with company secretarial, finance, geology, exploration, IT and other services and its replacement with appropriate arrangements for MED to have access to these resources.
3. The independent directors to determine an appropriate arrangement to address the debt between MED and AXIS. MED agrees that if necessary a meeting of shareholders would be called to ratify such an arrangement
4. Merlin hopes that when such action is taken that the ASX would consider reinstating MED's shares to trading.

JI Gutnick
Executive Chairman