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31 December 2015

ASX Announcement

The Company wishes to advise that the Company's request for a waiver of Listing Rule 9.7 has been rejected by ASX.

On 11 December 2015, the Company announced that it was significantly reducing the purchase consideration provided for in the agreements for the acquisition of its recent diamond, graphite and ruby interests, as a result of which the Company estimated that savings would have been achieved of up to \$23.4 million in nominal value.

The ASX's decision not to grant the waiver precludes the Company proceeding with its plan to issue fully paid ordinary shares to the vendors in consideration for the cancellation of all the performance share rights associated with the acquisition of the diamond and original graphite licence interests.

The Company will be proceeding with the issue of ordinary shares in consideration for the proposed acquisition of the additional graphite licence interests and the ruby licence interests.

The Company is considering how these matters can best be resolved in the interests of shareholders; is taking further advice; and will update shareholders early in January 2016.

In the meantime, the proposed EGM concerning the ruby project acquisition and other items of business is now not expected to occur until early February 2016.

On behalf of the Board,

Chris Ritchie
Company Secretary