



12 September 2016

ASX ANNOUNCEMENT

Merlin Diamonds announces the planned re-commencement of production at Merlin diamond mine

Merlin Diamonds Limited (ASX: MED) announces the planned re-commencement of operations at the Merlin diamond mine, located 900 kilometres south east of Darwin in the Northern Territory of Australia.

The Department of Mines and Energy in the Northern Territory approved the Mining Management Plan last Friday thus allowing operations to re-commence.

The Company is being assisted by Foundation Resources Pty Ltd. The mining industry professionals of Foundation Resources have extensive experience in the mining of and exploration for diamonds including at Ellendale and Smoke Creek in Australia; and in South Africa, Botswana, Zimbabwe, Namibia, Lesotho, Angola, DRC and Indonesia.

To-date, the Company has initiated procurement of the necessary items to re-commence the operations and have started pumped out water from the Kaye pit in preparation for mining. Foundation Resources have focussed on the technical plans for the mining operations and the re-commissioning of the diamond processing plant.

A significant amount of the infrastructure is still in place at Merlin and needs little work to be useable thus the capital cost is relatively low.

It is expected that operations will recommence in October 2016.

Yours sincerely,

PETER LEE
Company Secretary

Merlin Diamonds Limited ABN 86 009 153 119

Level 1, 42 Moray Street Southbank VIC 3006

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

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