



MINING APPROVALS UPDATE AND CONTRACTOR MOBILISES TO MERLIN MINE

Merlin Diamonds Limited (“Merlin”) (ASX: MED) is pleased to announce that the Northern Territory Government Department of Primary Industry and Resources has reviewed the amended Mine Management Plan (“MMP”) for the Merlin Mine Project.

The Department is satisfied that the MMP meets the requirements of section 40 of the Mining Management Act and the Company can commence mining five pits - **Excalibur, Gwain, Ywain, Ector and Kaye (See map)**.

Additional security of \$316,369.00 has been paid taking total security to \$1,092,215.00.

The mining contract for the Merlin Mine has been awarded to Rusca Bros Services and mobilisation is underway.

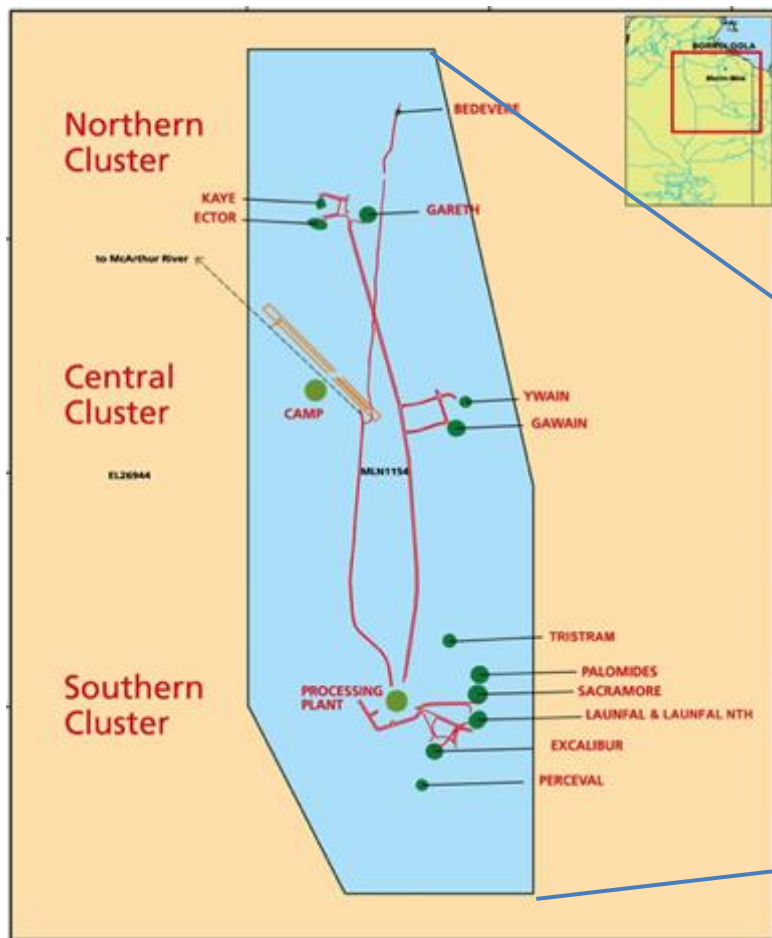
A new very positive phase has commenced, from processing past stockpiles, to now mining in the Merlin Pits.

The Company looks forward to providing regular progress updates.

-ENDS-

Joseph Gutnick
Executive Chairman

MERLIN DIAMOND MINE HAS SIGNIFICANT UNLOCKED VALUE



LEGEND

- Granted tenement
- Merlin mine lease
- Merlin kimberlite locations

- Mine site roads
- Airstrip

Merlin diamond mine area

