



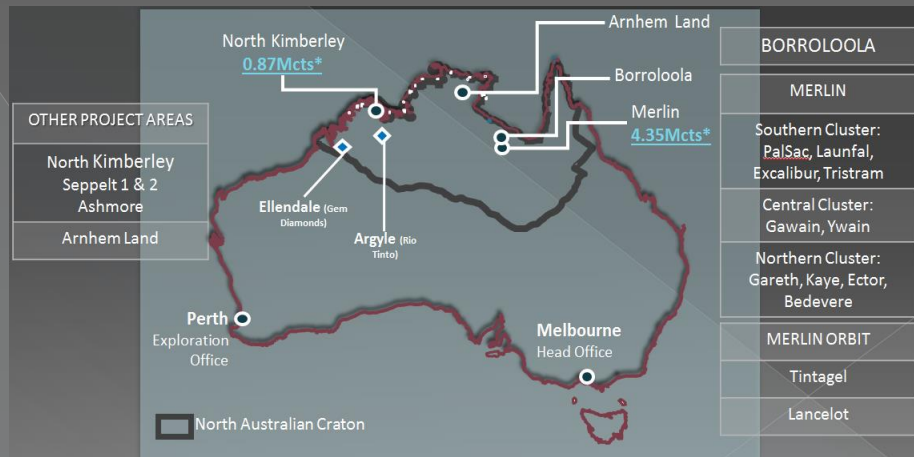
## KEY FACTS

- ✓ The Merlin Diamond Mine is known for its high quality, large, super white gems.
- ✓ Between 1998-2003 Ashton Mining Ltd and Rio Tinto Ltd mined over 2.2Mt of kimberlite ore from 10 open pits to produce 507,000 carats.
- ✓ Existing processing plant, village, airstrip and mine infrastructure enables immediate restart of operations.
- ✓ Over 31% of the stones produced were greater than +0.7cts.
- ✓ Of the +1ct diamonds, in excess of 75% were assessed as 'gem' or 'near gem' quality.
- ✓ Feasibility Study to recommence operations completed in September 2014.
- ✓ Project is robust with an NPV<sub>8%</sub> of \$102.2 million and an IRR of 52.7%.
- ✓ Merlin has 4.35 million carats in its JORC compliant Mineral Resource.
- ✓ Mineral Resource inclusive of 610,000 carats of JORC compliant Probable Ore Reserve.
- ✓ Mine life of 11 years. Project upside to extend mine life using borehole mining, open pit or underground methods.
- ✓ Significant exploration upside with over 80 targets defined on the mine lease. 6 targets drill ready.
- ✓ Merlin produced the largest ever diamond found in Australia at 104 carats.

July 2016

## Merlin Diamonds Fact Sheet

The Merlin Diamond Mine is located 100 km south of the settlement of Borroloola in the Northern Territory, Australia. There are 13 known diamond-bearing kimberlite pipe vents on the Merlin mine lease. Ten of the kimberlite pipe vents have been previously mined by Ashton Mining Ltd and RioTinto Ltd via nine open pits. All mine infrastructure, including processing plant, village and airstrip exists and enables immediate commencement of diamond mining operations.



METRIC	RESULT
Net Present Value at 8% discount rate	\$102.2 million
Internal Rate of Return	52.7%
Life of Mine Total Net Cash (undiscounted)	\$132.9 million
Payback Period	4 months
Maximum Negative Cash Position	\$4.23 million
Probable Ore Reserve	4Mt @ 15cpt for 0.6Mcts
Life of Mine	11 years
Indicated Mineral Resource	13.4Mt @ 17cpt for 2.3Mcts
Inferred Mineral Resource	14.4Mt @ 14cpt for 2.0Mcts

