



14 December 2012

## **ASX ANNOUNCEMENT**

### **\$8 Million Convertible Note**

Merlin Diamonds Limited (ASX: MED) wishes to advise that it has entered into an \$8 million convertible note agreement with an international investor, to provide further funding towards the re-commencement of mining operations at the Merlin diamond mine in Northern Territory. The convertible note is for 1 year and bears interest at 6.5%. Interest is payable quarterly. The convertible notes can be converted into fully paid ordinary shares at any time during the 1 year period at a conversion price of 22 cents. The convertible notes are unsecured.

The Agreement is subject to shareholder approval to the issue of the fully paid ordinary shares which would be issued upon conversion of the convertible note and any government approvals necessary for the transaction. The Company anticipates holding the shareholders meeting to seek such approval late January 2013.

Combined with the share placements announced earlier today, the total funding available to the Company from these transactions is \$17.03 million.

For further information, contact:

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