Partial Relinquishment Report

Exploration Licence 27895

20th September 2010 to 19th September 2014
Northern Territory, Australia

Holder: Merlin Diamonds Limited
Operator: Merlin Diamonds Limited
Reporting Period: 20th September 2010 to 19th September 2014
Sheet Reference: Wallhallow (SE-5307) 1:250,000

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Date: 19th November 2014
Copies To: Dept. of Mines and Energy - NT MDL

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SUMMARY

This Partial Relinquishment Report outlines exploration activities undertaken by Merlin Diamonds Limited (MDL) on Exploration Licence 27895 between the 20\textsuperscript{th} September 2010 and 19\textsuperscript{th} September 2014.

Exploration Licence 27895 is situated on the Walhallow (SE53-07) 1:250,000 geological mapsheet and the Lancewood (6163) 1:100,000 topographic mapsheet in the Batten Region of the Northern Territory.

During the reporting period MDL undertook no field activity over the area relinquished. A total of 40 blocks have been relinquished. The area was not considered prospective for kimberlites and was surrendered.
1.0 INTRODUCTION
This Partial Relinquishment Report outlines exploration activities undertaken by Merlin Diamonds Limited (MDL) on Exploration Licence 27895 between the 20th September 2010 and 19th September 2014.

2.0 LOCATION AND ACCESS
Exploration Licence 27895 is situated on the Walhallow (SE53-07) 1:250,000 geological map sheet and the Lancewood (6163) 1:100,000 topographic map sheet in the Batten Region of the Northern Territory. A tenement location map is provided as Figure 1.

3.0 LICENCE DETAILS
EL 27895 originally comprised 166 blocks, and was granted to North Australian Diamonds Ltd on 20th September 2010 for six years.

A 50% reduction was submitted at the end of Year 2 with the relinquishment of 86 blocks. At the end of Year 4 a further 40 blocks were relinquished as per Figure 1.

Table 1: Tenement Details

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
<th>Effective Date</th>
<th>Grant Date</th>
<th>Expiry Date</th>
<th>Blocks</th>
<th>Holder</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL27895</td>
<td>Granted</td>
<td>20/09/10</td>
<td>20/09/10</td>
<td>19/09/16</td>
<td>40</td>
<td>Merlin Diamonds Ltd</td>
<td>100</td>
</tr>
</tbody>
</table>

4.0 PHYSIOGRAPHY

Geology
The oldest rocks that crop out in the Licence area are the folded and faulted sediments and volcanics of the Palaeoproterozoic Tawallah Group and McArthur Group. These occur as an inlier in the western part of the Licence and are bound to the east by a north-trending fault that has an unconformable contact with the overlying Paleozoic Top Springs Limestone. Mesozoic (Cretaceous) aged sediments crop out in the scarp in the south of the Licence and possibly also as outliers in the north where they unconformably overlie the Top Springs Limestone. The limestone is covered by a thin veneer of residual sand probably derived from the eroding Cretaceous sediments to the south. More recent sands and gravels have deposited within active drainages and at the base of the scarp.
5.0 EXPLORATION COMPLETED DURING REPORTING PERIOD
MDL did not undertake field activity over the relinquished area during the reporting period. No samples were collected.

6.0 CONCLUSION
The relinquished area was not considered prospective for kimberlites and was surrendered.

7.0 REFERENCES

Department of Mines and Energy, Northern Territory Geological Survey. Wallhallow and Bauhinia Downs 1:250,000 Explanatory Notes.

011, Ref: 11-052, North Australian Diamonds Limited.


Figure 1
Area Reduction Figure

Legend
- Retained Tenement
- Relinquished Blocks
- Drainage

Merlin Diamonds Limited

Scale: 1:125000 Projection: Longitude / Latitude (Australia GDA94)

2.5 kilometres

Wallallow 553207