Partial Relinquishment Report

Exploration Licence 27750

20th September 2010 to 25th February 2015
Northern Territory, Australia

Holder: Merlin Diamonds Limited
Operator: Merlin Diamonds Limited
Reporting Period: 20th September 2010 to 25th February 2015
Sheet Reference: Wallhallow (SE-5307) 1:250,000

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Date: 7th April 2015
Copies To: Department 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 27750 between the 20th September 2010 and 25th February 2015.

Exploration Licence 27750 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 there was no exploration activity on the relinquished portion of the licence. The relinquished portion is not considered prospective for kimberlites.
1.0 INTRODUCTION
This Partial Relinquishment Report outlines exploration activities undertaken by Merlin Diamonds Limited (MDL) on Exploration Licence 27750 between the 20th September 2010 and 25th February 2015 on four (4) blocks that were relinquished to comply with the LOB (loss of block) penalty for not meeting the expenditure condition for two consecutive years.

2.0 LOCATION AND ACCESS
Exploration Licence 27750 is situated on the Walhallow (SE53-07) 1:250,000 geological map sheet and the Lancwood (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 27750 originally comprised 72 blocks, and was granted to Merlin Diamonds Ltd on 20th September 2010 for six years. At the end of Year 2 a total of 37 blocks were relinquished. An additional 17 blocks were relinquished at the end of Year 4. A total of 18 blocks remained. Further four blocks were submitted for relinquishment to comply with the LOB penalty. Partial cancelation of exploration Licence was made effective on 25 February 2015. The tenement details are outlined in Table 1 below and on Figure 1.

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<th>Name</th>
<th>Status</th>
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<td>19/09/16</td>
<td>14</td>
<td>Merlin Diamonds Ltd</td>
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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

During the reporting period there was no exploration activity and no samples collected over the relinquished portion of EL27750.

6.0 CONCLUSION

The relinquished portion of the Licence is not considered prospective for kimberlite and was therefore relinquished.

7.0 REFERENCES


