



3 August 2016

Ms C Tang
Advisor Listings (Melbourne)
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Cheng

I refer to your letter of 29 July 2016 and reply as follows:

1. The Company filed the notices as soon as it received the relevant information.
2. The Company has written agreements in place with its directors to ensure they meet their obligations with listing rule 3.19B.
3. The Company has reminded the directors of their obligations under listing rule 3.19B.

Yours sincerely,

PETER LEE
CFO & Company Secretary



29 July 2016

Peter Lee
Company Secretary
Merlin Diamonds Limited
Level 1, 42 Moray Street
South Melbourne VIC 3205

By email: peterl@axisc.com.au

Dear Mr Lee

Merlin Diamonds Limited (the “Entity”): Appendix 3X – Initial Director’s Interest Notice and Appendix 3Z – Final Director’s Interest Notice

We refer to the following;

1. The announcement lodged by the Entity with ASX Limited (“ASX”) on 8 July 2016 confirming the appointment of Mr Mordechai Gutnick as a director of the Entity and the resignation of Mr Joseph Gutnick as a director of the Entity;
2. The Appendix 3X lodged by the Entity with ASX on 22 July 2016 for Mordechai Zev Gutnick;
3. The Appendix 3Z lodged by the Entity with ASX on 22 July 2016 for Joseph Gutnick together, (the “Director Notices”);
4. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.

- On the date that the entity is admitted to the official list.
- On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity’s admission or a director’s appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether



prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

- 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

5. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

As the Director Notices indicated that the director, Joseph Gutnick, ceased to be a director on 7 July 2016, and that the director, Mordechai Zev Gutnick, was appointed on 7 July 2016, it appears that the Appendices 3X and 3Z should have been lodged with ASX by 14 July 2016. As the Appendices 3X and 3Z were lodged on 22 July 2016, it appears that the Entity may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed entities for its reporting requirements.

ASX reminds the Entity of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Entity make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: *Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*, under listing rule 18.7 we ask that you answer each of the following questions.

1. Please explain why the Appendices were lodged late.
2. What arrangements does the Entity have in place under listing rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at cheng.tang@asx.com.au. It should not be sent to the ASX Market Announcements Office.



A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on Wednesday, 3 August 2016.

Under listing rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Cheng Tang

Adviser, Listings (Melbourne)