

**MERIDIAN MINERALS****A STRATEGIC APPROACH  
WORKING FOR MERIDIAN**

Making the transition from explorer to producer in the current environment represents a significant challenge for junior mining and exploration companies.

**U**NDERSTANDING THE market and making decisions that are both reasonable and achievable are often obstacles that frustrate companies, but one Queensland-based company has developed a strategy designed to lift it into the producer category while remaining within its budget limitations.

Meridian Minerals managing director Jeremy Read told *RESOURCESTOCKS* that the company had developed a three-stage strategy that would take the company into producer status and potentially create significant value for shareholders.

"We see ourselves as a company with a very good skills base and therefore we are able to look at advanced opportunities," he explained.

"We want to find, purchase or farm-in to a production or preproduction asset and then put it into production."

Based on the company's skills asset, Meridian has decided the first stage of the strategy would be to purchase a small asset – one which fitted into the company's market capitalisation limitations – then use the company's skill base to increase cash flow.

"If we start with a small project that is in production that we can help turn around from cash negative to positive and increase cash flow to \$A2-5 million a year, we can then move to the second stage," he said.

"We then plan to use the cash flow to allow us to get into a medium-sized project, something at a prefeasibility or feasibility stage, something where there is upside and we can use our project development and exploration skills to improve value for our shareholders."

Meridian has already identified one target and signed a memorandum of understanding (MoU) late last year to purchase a 100% interest in a privately owned copper oxide project at Leigh Creek in South Australia.

The copper oxide ore is mined from an open pit with a copper cement plant capable of producing 2000-3000 tonnes of copper a year.

The final plank in Meridian's strategy is to then focus on its Ashes and Bones prospects located in the Lachlan Fold Belt area of New South Wales.

"We have made this the third stage because it is a pure exploration play and therefore riskier than the earlier stages, which are quantifiable," Read said.

"Ashes, in particular, is very interesting. We have located high-quality induced polarisation targets associated with highly anomalous gold and copper mineralisation at surface.

"The signs are very encouraging as we're getting 2 to 6 grams of gold in rock chips on the surface and 1 to 5 per cent copper over a 500 to 600-metre strike.

"It's only 6 kilometres away from Rio Tinto's Northparkes mine, so it's in an area of excellent infrastructure."

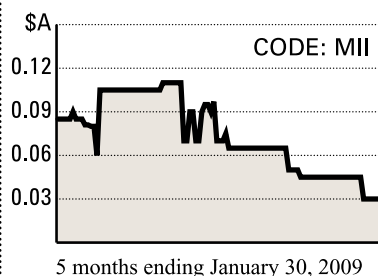
With existing infrastructure and a processing plant at Northparkes, Meridian plans to look at ways to develop the prospect without the burden of high capital costs for processing infrastructure.

An important advantage at both Ashes and Bones is that the mineralisation is at surface.

"Bones has also returned copper and gold with high-quality induced polarisation geophysical anomalies ready to drill, and it's right on the highway," Read pointed out.

"In terms of mobilising and actually testing these targets, central NSW offers a lot of benefits without the problems of isolation and deep cover that can be experienced elsewhere."

Meridian plans to start drilling at Ashes in the next few months. **RS**

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**MARKET CAPITALISATION**

\$A3.2 million (at press time)

**MAJOR SHAREHOLDERS**

Mithrill Resources Investments 10.059%  
Teck Cominco 8.047%  
Robert Anthony Healy and Associates  
6.236%  
Macquarie Group 4.868%  
Trindis 4.455%