

## ASX / Media Release

2 October 2009

### **Meridian Completes \$900,000 Placement - Update of NWME Investment -**

- **Meridian Completes \$900,000 Placement to maintain Project Momentum at Lennard Shelf**
- **Field Preparations and Planning for Maiden Drilling Program Well Advanced**
- **Possible Second Hand Processing Facility Identified**

Australian resources company Meridian Minerals Limited ('Meridian' or 'Company') (ASX: MII) today completed a modest capital raising of \$900,000 to assist the Company with its plans to fast track the development of the Lennard Shelf Zinc Project in northwestern Western Australia.

Today's funds, raised with assistance from Paterson's Securities Limited in Perth, will enable the Company to maintain its recent high levels of site activity in completing all necessary field work, approvals and preparations ahead of a planned 20,000m drill program, which is scheduled to commence immediately upon receipt of funds from a A\$10.5M capital raising to Northwest Mining and Geology Group Co. Ltd for Nonferrous Metals ("NWME"), as announced to ASX on 22 July 2009.

In addition, in recent weeks, Meridian has identified a possible secondhand processing facility which it believes may be compatible with the Company's development plans for the Lennard Shelf Zinc Project. Meridian is assembling a team of engineering consultants to conduct detailed evaluation and due diligence (including site visit), assuming broad agreement can be reached on commercial terms for an Option to Purchase the plant and all ancillary equipment and spares etc.

Meridian Minerals' Managing Director, Jeremy Read, said that due to a positive outcome from a scoping study which showed that the breakeven price for zinc production from a combined mining operation at the Kapok and Kapok-West zinc-lead resources could potentially be US\$0.65-0.70/lb of zinc (including credits for silver and lead), Meridian will begin assessing options for the purchase of a second hand processing plant suitable for the Lennard Shelf Project.

"The recent strong performance of the zinc and lead prices, coupled with the positive results from our earlier scoping study, have provided encouragement for Meridian to assess the suitability of second hand mineral processing plants able to be relocated to the Lennard Shelf Project," Mr Read said.

"We have identified a complete plant which used to process ore very similar to the zinc-lead mineralisation on the Lennard Shelf Project and therefore, has a good probability of being suitable for our needs.



Our aim is to know by the end of the third quarter 2010 if we can put the Lennard Shelf Zinc Project back into production. If this is the case by using a second hand plant, we can significantly shorten our timeline to production and reduce capital costs.”

Today’s placement comprises a total issue of 15,000,000 new ordinary shares at \$0.06 per share to sophisticated and professional investors and is conditional upon the refreshing of Meridian’s ability to issue 15% of its issued share capital at the upcoming shareholders meeting on 5 October 2009.

On Monday 5 October, Meridian will hold a general meeting of shareholders in order for shareholders to ratify the acquisition of the Lennard Shelf Zinc Project and the A\$10.5M investment into Meridian by NWME. Meridian remains on track to complete the procedural elements of both transactions by the time of the shareholders meeting or soon thereafter. The A\$10.5M investment by NWME however, remains subject to approval by Australia’s Foreign Investment Review Board (FIRB) and Chinese Government approval. Approval of the NWME investment is expected to be approved by the Chinese Government and FIRB in October 2009. Recent statements by FIRB clarifying how investments, such as the NWME investment, are considered by FIRB suggest that the NWME investment falls well within allowable guidelines.

**For further information please visit [www.meridianminerals.com.au](http://www.meridianminerals.com.au) or contact:**

Mr Jeremy Read  
Managing Director  
Meridian Minerals Limited  
Tel: 07 3844 6444  
Mob: 0409 484 322

Mr David Tasker  
Professional Public Relations  
Tel: 08 9388 0944  
Mob: 0433 112 936  
Em: [david.tasker@ppr.com.au](mailto:david.tasker@ppr.com.au)

### **About the Lennard Shelf Project**

The Lennard Shelf region is one of the world’s premier Mississippi Valley Type (“MVT”) zinc-lead provinces containing pre-mining zinc-lead resources of 41 million tonnes (“Mt”) @ 7.9% zinc and 3.2% lead.

The MVT style of zinc and lead mineralisation, which occurs on the Lennard Shelf project, produces metal concentrates which are very highly sought by smelting companies due to the very high-grade and clean nature of the concentrates. Of all the resources mined to date, the overall recovery has been around 95% for zinc and 85% for lead. Concentrate grades have also been high with the zinc concentrate historically containing 58-60% zinc and the lead concentrate containing 72-77% lead. It is as a result of their clean, high-grade nature that concentrates from the Lennard Shelf project have in the past attracted a premium price from smelters.



BHP Minerals commenced exploration of the Lennard Shelf region in the late 1970's and shared the exploration risk through a series of joint ventures. After several years of extensive exploration the Cadjebut deposit was discovered in 1984, Goongewa in 1987 and Kapok in 1989. BHP Minerals and Billiton jointly brought Cadjebut into production in 1987 and in the mid-1990's both BHP Minerals and Billiton sold their respective interests in the Lennard Shelf Project to Western Metals.

Following purchase of the project, Western Metals continued with exploration and extended the known resources at Cadjebut, Goongewa, Kapok, Kapok West and discovered a new resource at Kutarta. Production from Cadjebut ceased in 1998. Goongewa produced from 1995 to 2001, and Kapok from 1997 until 2003.

Teck purchased the Lennard Shelf assets from the receivers of Western Metals in 2003 and subsequently sold a 50% interest in the project to Noranda (now Xstrata), forming the joint-venture company Lennard Shelf Pty Ltd (LSPL).

LSPL undertook exploration within the Lennard Shelf tenements during the field seasons of 2004, 2005, 2006, 2007 and 2008. Highlights included intersecting previously undiscovered mineralisation at the Palijippa prospect in 2005 where, following further drilling in 2006, an in-house inferred resource was estimated. The Palijippa discovery by LSPL demonstrates the excellent potential of the project area for the discovery of additional mineral resources.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jeremy Read, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Read is a full-time employee of Meridian Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Read consents to the inclusion in this announcement of the matters based upon his information in the form and context in which it appears.