

30 October 2009

ASX RELEASE

QUARTERLY REPORT: 1 July to 30 SEPTEMBER 2009

HIGHLIGHTS

Lennard Shelf Zinc Project

- The Due Diligence program determined that in July 2003, Western Metals classified all but one of the known mineral resources on the Lennard Shelf project in accordance with the JORC Code (1999) guidelines. Within the project area, the total amount of resources previously classified in accordance with the JORC Code (1999) guidelines comprise 8.2Mt grading 7.4% Zn and 4.6% Pb as Measured, Inferred and Indicated Mineral Resources;
- A Scoping Study of the Lennard Shelf Zinc-Lead Project was completed and positive results achieved, suggesting that potential exists to profitably mine the Kapok and Kapok West resources as a combined operation. The project also has significant exploration potential for the discovery of new zinc-lead resources;
- A feasibility study will be commenced to determine if the Kapok / Kapok West resources can be profitably mined as a combined operation at 500-600,000 tpa. Meridian is aiming to have this feasibility study completed in the fourth quarter of 2010;
- Funding for the Kapok / Kapok West feasibility study has been secured through an agreement reached for an A\$10.5M placement to Chinese company, Northwest Mining and Geology Group Co Ltd ("NWME"). The issue price of the placement will be A\$0.08 per share, which is a 78% premium to the last capital raising and a 23% premium to the share price prevailing at the time of the signing of the agreement with NWME;
- An exclusive option has been obtained over the Galmoy zinc-lead processing plant, located in Ireland. Galmoy is a complete 600,000 tpa plant which was operating until June 2009. Due diligence suggests that the plant will be capable of processing mineralisation from Kapok / Kapok West with little modification.
- Meridian will acquire four tenements in close proximity to existing tenements of the Lennard Shelf Zinc project from Zinc Co Australia Limited ("Zinc Co"). The tenements are prospective for zinc and lead mineralisation, with two of the tenements adjacent to existing company-owned resources.

Corporate Activities

- On 7 July 2009, a capital raising of \$774,810 was completed in order to provide funds for commencing preparations for the planned Lennard Shelf drill program and for working capital requirements;
- Following the end of the Quarter on 2 October 2009, Meridian 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.

1. Lennard Shelf Zinc Project

The Lennard Shelf Zinc project is located in the Kimberley region of Western Australia, approximately 80km southeast of Fitzroy Crossing. The Lennard Shelf is one of the world's premier MVT zinc-lead provinces and prior to the commencement of mining in 1987, hosted resources were stated as 41Mt @ 7.9% zinc and 3.2% lead. The total resources remaining on the project previously classified in accordance with JORC (1999) comprise 8.2Mt @ 7.4%Zn and 4.6% Pb. A summary of the previous resource classification is shown in Table One.

On 21 April 2009, Meridian entered into an MOU to purchase the Lennard Shelf Zinc project from the Xstrata Zinc/Teck Resources Limited ("Teck") joint-venture company, Lennard Shelf Pty Ltd ("LSPL"). Meridian had a two month exclusive option over the project until 19 June 2009, during which time Meridian conducted due diligence on the project. While Meridian's due diligence program was successfully completed on time, it became apparent during the original exclusive option period that the Tenement Transaction Agreement for the project would not be completely negotiated within the original exclusive option period. Consequently, Meridian and LSPL mutually agreed to extend the exclusive option period until 19 August 2009 in order to allow the Tenement Acquisition Agreement to be completed and signed. In return for the extension of the exclusive option, Meridian covered all tenement-related costs that fell due during the extended exclusive period. Furthermore, LSPL and Meridian agreed to drop a requirement from the original MOU for Meridian to complete a \$5M capital raising prior to the signing of the Tenement Transaction Agreement and settlement of the transaction.

The formal tenement acquisition agreement for the project was signed on 19 August 2009 and planning commenced for a +20,000m drill program at the Kapok and Kapok West resources.

Mineralisation Style

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 their very high-grade and low amount of impurities.

Of all the resources mined to date, the overall recovery has been approximately 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.

Due Diligence Program

As part of its comprehensive due diligence program, Meridian established that all but one of the defined deposits on the Lennard Shelf Zinc project were previously classified in accordance with the JORC Code (1999) guidelines.

On 1 July 2003, the former owner of the project, Western Metals Limited ("Western Metals"), released its statement of Mineral Resources to the Australian Stock Exchange ("ASX"). This statement outlines the defined mineral resources on the project at that time (Table One). Of the current resources being reported herewith by Meridian, only the Palijippa mineralisation was not identified at that stage.

Meridian has received advice that the 1999 and 2004 JORC Code definitions of Mineral Resources are identical, and therefore the resources reported in Table One are also considered compliant with the 2004 JORC Code.

Table One – Lennard Shelf Resource Inventory Classified by Western Metals July 2003

Resource	Cutoff Grade		Measured	Indicated	Inferred	Total
Kapok Central	5% Zn	Tonnes	23,000	868,000		891,000
		Zn%	7.0	8.6		8.6
		Pb %	9.4	5.5		5.6
Kapok East	5% Zn	Tonnes	1,000	261,000	357,000	619,000
		Zn%	2.6	6.9	8.0	7.6
		Pb %	18.2	6.6	11.2	9.3
Kapok West	5% Zn	Tonnes			1,220,000	1,220,000
		Zn%			4.3	4.3
		Pb %			9.0	9.0
Kutarta	5% Zn	Tonnes		1,910,000	430,000	2,340,000
		Zn%		7.4	6.4	7.2
		Pb %		0.6	0.3	0.5
		Ag g/t		36	53	39
Cadjebut Splay	5% Zn	Tonnes			390,000	390,000
		Zn%			1.4	1.4
		Pb %			14.4	14.4
Fossil Downs	5% Zn	Tonnes			2,150,000	2,150,000
		Zn%			9.5	9.5
		Pb %			2.1	2.1
		Ag g/t			50	50
Napier Range	5% Zn	Tonnes			590,000	590,000
		Zn%			8.5	8.5
		Pb %			8.0	8.0
		Cu%			0.5	0.5
		Ag g/t			75	75
Lennard Shelf Total		Tonnes				8,200,000
		Zn%				7.4
		Pb %				4.6

Scoping Study Results

As part of assessing the potential value of the Lennard Shelf Zinc Project, Meridian completed a Scoping Study into the Near Term Production opportunities contained within the project, using the currently defined JORC compliant resources. The outcome of this financial modelling investigation indicated that a combined operation mining the Kapok and Kapok West resources concurrently, was Meridian's best opportunity to put any of the Lennard Shelf resources back into production.

The Scoping Study concentrated on estimating the break even zinc and lead prices which would be required to put each resource individually into production, assuming that the capital expenditure to develop each resource would be AU\$35M. The break even lead and zinc prices (at a Scoping Study level and therefore may vary significantly) are given in Table Two. The main outcome from the break even analysis showed that, if Kapok and Kapok West are mined concurrently, the break even zinc price would be in the range US\$0.65-0.70/lb of equivalent zinc metal produced (i.e. taking into account the revenue from the sale of the lead). This was a very positive result and strongly indicated that Meridian's initial work on the Lennard Shelf Project should be focussed on updating the existing feasibility study into the re-opening of the Kapok mine, as well as putting together a mine plan and economic model for Kapok West. In order to complete this work for Kapok West, the current Inferred resource will need to be upgraded to Indicated status which requires a 50m X 50m drill pattern over the resource.

Table Two – Estimated Break Even Zinc Prices Required for Each Resource

Resource	Break Even Zn (8% Discount Rate) US\$/lb	Break Even Zn (15% Discount Rate) US\$/lb
Kapok/Kapok West	\$0.63	\$0.68
Kapok	\$1.32	\$1.35
Fossil Downs	\$0.94	\$0.97
Kutarta	\$1.49	\$1.55
Palijippa	\$1.55	\$1.59

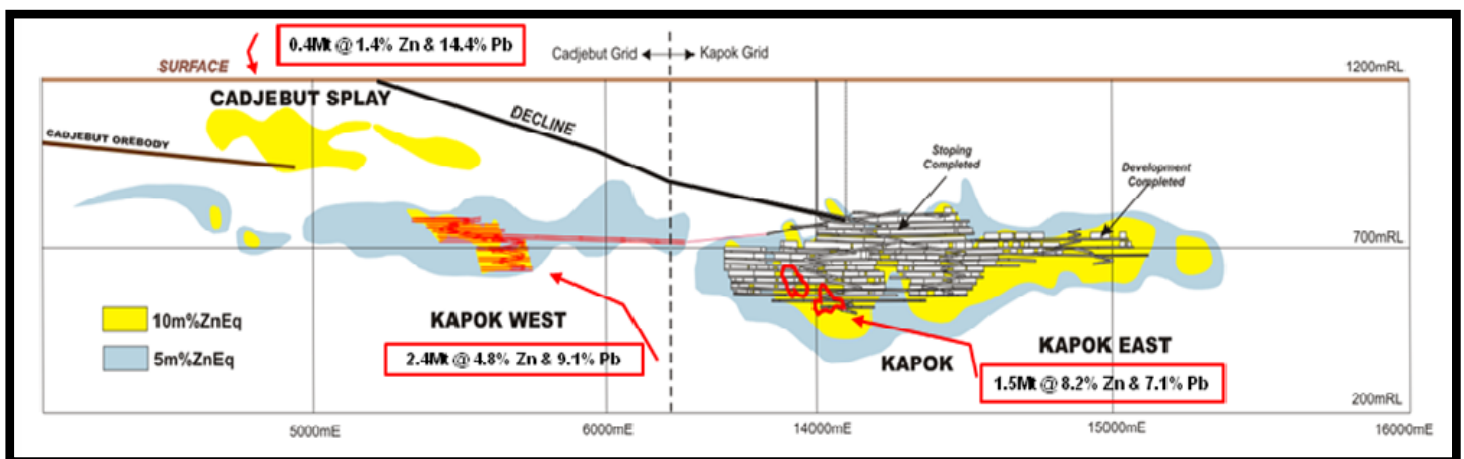
2009-2010 Development Program

The Development Program for the Lennard Shelf Project for the remainder of the 2009-2010 financial year will consist of, a Feasibility Study into the reopening of the Kapok mine and developing underground from Kapok out to Kapok West, plus an exploration program to discover additional zinc-lead resources.

a. *Kapok – Kapok West Feasibility Study*

The Kapok – Kapok West feasibility study will determine if the Kapok mine (which is currently flooded) can be rehabilitated, put back into production and the Kapok West resource put into production via an underground drive off the Kapok decline (See Figure Two). Meridian's objective is to mine Kapok and Kapok West concurrently with an annual production in the range 500-600,000 tpa. A sensitivity analysis on the Scoping Study determined that the project Net Present Value would be optimised with mining rates in this range.

Figure Two – Kapok/ Kapok West Long Section (Looking North)



As Kapok has operated previously, Meridian is in possession of a significant amount of operational, metallurgical, mining, processing and environmental data for Kapok. This information will allow the Kapok component of the feasibility study to be expedited. Consequently, the Kapok component of the feasibility study will focus on the following:

- cost to pump out the mine
- rehabilitation of the underground workings
- mining costs
- processing costs
- remaining mineral resources which can be economically extracted
- permitting

Currently, the Kapok West resource is classified as an Inferred Resource and this is insufficient in order to determine if Kapok West can be economically mined and processed. Therefore, the key component of the Kapok West feasibility study is to infill drill Kapok West to allow the resource to be classified at Indicated level. Meridian has planned an aggressive +20,000m drill program to be completed at Kapok and Kapok West. The major objectives of the drill program will be as follows:

- Infill drilling of the Kapok West mineral resource to allow the majority of Kapok West to be classified in the Indicated category, as required for the commencement of a feasibility study;
- Investigate the immediate extensions of the Kapok Central, Kapok East and Kapok West resources in order to grow the overall Kapok mineral resource;
- Investigate any possible link between the Cadjebut Splay resource and the resources at Kapok; and
- Provide drill information which will be required to determine if Kapok and Kapok West can be profitably mined as a combined operation.

In the next quarter, Meridian will appoint an external consultant to manage the Kapok / Kapok West Feasibility Study on behalf of the Company. It is envisaged that the Feasibility Study will be completed in the fourth quarter of 2010, when a decision as to whether or not to put the Kapok / Kapok West resources into production will be made.

b. Exploration Program

Meridian has planned an exploration drilling program for the Lennard Shelf Zinc project in order to increase the higher grade resources on the project outside of the immediate environs of Kapok / Kapok West. This exploration drilling program will commence towards the middle of 2010 following the end of the northern wet season.

Drilling will be conducted at the Palijippa prospect in order to allow this mineralisation to be classified in accordance with JORC. The mineralisation at Palijippa routinely contains 7% combined Zn and Pb, but there is a zone of higher grade mineralisation at Palijippa which has not been fully drill tested. Meridian will complete drilling in order to define the extent of the higher grade mineralisation at Palijippa. The Palijippa prospect occurs in close proximity to Kapok / Kapok West and consequently if a sizeable higher grade zone to Palijippa can be defined it may be possible to supplement the ore from a Kapok / Kapok West operation with production from Palijippa.

Exploration drilling will also be conducted at the Fossil Downs prospect which is currently host to an Inferred resource of 2.15Mt @ 9.5% Zn and 2.1% Pb. The Fossil Downs resource is currently open and the focus of the exploration drilling will be to increase the size of the resource through extension drilling. If the Fossil Downs resource can be increased to in excess of 5Mt, then it may be able to support a standalone mining operation. The other possibility for Fossil Downs will be to truck ore down to a processing facility located in close proximity to Kapok / Kapok West.

Securing Funding for the Kapok / Kapok West Feasibility Study

On 22 July 2009, Meridian announced it had reached agreement to place 131,250,000 ordinary shares to the state-owned Chinese company, Northwest Mining and Geology Group Co., Ltd for Nonferrous Metals (NWME), raising A\$10.5M, at a share price of A\$0.08 ('Placement'). NWME will make the placement through its wholly owned Australian subsidiary, Northwest Nonferrous Australia Mining Pty Ltd.

In China, NWME is one of the top five exploration and mining Bureaus (amongst over 100 provincial Bureaus) in terms of revenue and technical capacity. In recent years, NWME has been actively involved in overseas investment and has exploration projects in a number of countries including Mongolia, Argentina, Indonesia, Guinea and Canada.

Upon completion of the Placement, NWME will hold approximately 43% of the issued capital of Meridian. NWME will also have one representative appointed to the Board of Meridian, which will be reduced to five directors in total. The NWME director will also act as Project Manager of Lennard Shelf. In addition, NWME will also provide a field geologist on secondment.

NWME will also have a right of first refusal to acquire up to 35% of any mineral concentrates which are produced from Lennard Shelf on international benchmark terms.

The funds raised from the NWME investment into Meridian will primarily be used to complete the Kapok / Kapok West feasibility study and for exploration on the Lennard Shelf project.

Zinc Co Tenement Acquisition

Post the end of the Quarter on 7 October 2009, Meridian announced it had significantly increased its tenement holding on the Lennard Shelf Project, signing an agreement with Zinc Co Australia Limited ("Zinc Co") to purchase four exploration tenements located in close proximity to the Company's existing Lennard Shelf tenements.

The tenements (ELA80/4240, ELA80/4251, ELA04/1894 and ELA04/1895), the subject of the Zinc Co transaction, which are in the process of being granted, contain the extensions to the Kapok mineral resources and are prospective for zinc and lead mineralisation over an area of 244km². Tenements E04/1894 and E80/4240 are adjacent to the Goongewa and Kapok mineral resources respectively. Once the Zinc Co tenements are granted, the area held by Meridian on the Lennard Shelf will increase to 679km².

Under the terms of the transaction, Meridian will pay Zinc Co A\$150,000 and issue 2,000,000 fully paid Meridian shares, which will be subject to a twelve month voluntary escrow period. Meridian will pay the consideration for the tenements following the completion of the A\$10.5M investment into Meridian by NWME.

Galmoy Processing Plan Acquisition

Following the conclusion of the Quarter, Meridian announced on 27 October 2009 that it had obtained an exclusive option to purchase the 600,000 tpa Galmoy zinc-lead mineral processing plant located in Ireland. The purchase option can be exercised up until 30 November 2009 by making an initial down payment of €1.3M. The total purchase price of the Galmoy plant will be €6M, to be paid in a series of instalments over a twelve month period.

If the Kapok / Kapok west feasibility study concludes that profitable mining operations can be re-established, then it will be important to bring these resources into production as quickly as possible. Purchasing a second hand plant has the potential to save 12 months from the timeline to re-establish zinc and lead production, in comparison to designing and building a new processing facility. Furthermore, significant capital expenditure savings are possible, provided that only minor modifications are required to the Galmoy plant. Meridian staff and engineering consultants recently completed a due diligence trip to Galmoy and concluded that the plant, in its current form, should be suitable for processing ore from Kapok and Kapok West, without major modifications. The due diligence final report from the engineering consultants will be submitted in November 2009.

2. Lachlan Fold Belt Project (NSW)

The Lachlan Fold Belt Project in New South Wales comprises tenements EL6484, EL6567, EL6574, EL6637, EL6642, EL6643 and EL6644 within the highly gold-copper prospective, Macquarie Arc of the Lachlan Fold Belt, which currently hosts six active mines (Cadia Valley mines and the North Parkes mines), with at least a further three deposits in feasibility stages. There are also numerous historically mined resources within the area. These deposits/prospects are all the result of granite-associated gold-copper (**Au-Cu**) mineralisation (especially Au-Cu porphyry and the more distal epithermal/skarn-associated Au-Cu systems), which appear to be controlled by regional, northwest trending structures. The epithermal Au-Cu deposits found throughout the Lachlan Fold Belt are interpreted to be genetically associated with the porphyry-style Au-Cu deposits.

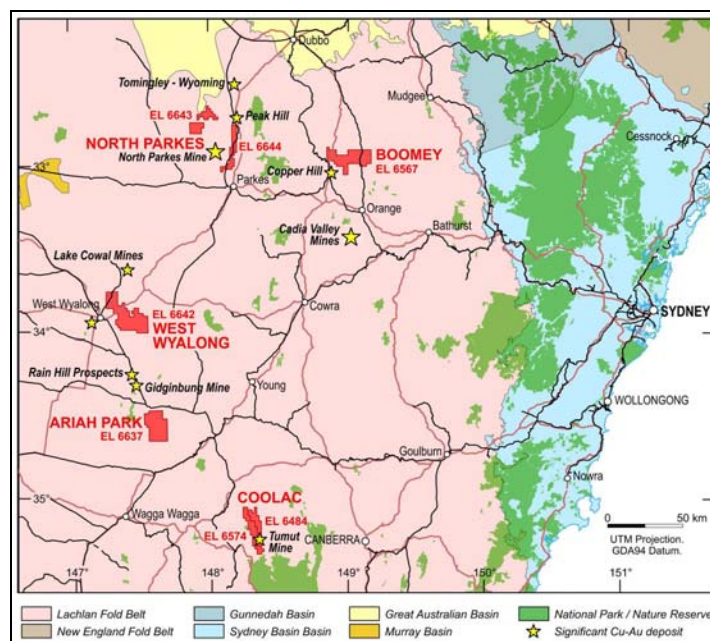
Coolac – EL6484 and 6574

The Coolac project comprises two ELs (EL6484 and EL6574) situated in the south-eastern portion of the Lachlan Fold Belt. The geology of the project area is dominated by the Honeysuckle Metabasic Igneous Complex, including the Coolac Serpentinite Belt. EL6484 covers the historic Tumut copper-zinc-gold-silver mine, which reportedly produced 97.5 tonnes of copper, zinc, gold and silver at average grades of 5.3% Cu, 1.1% Zn, 4.6 g/t Au and 137 g/t Ag. The McAlpine mine was worked in the late 1800s. The main sulphide mineralisation at the McAlpine mine comprises chalcopyrite and sphalerite. Other historic workings within the project area include the Currajong gold mine and the Honeysuckle copper prospects.

In 2008, Meridian drilled five holes at the Tumut prospect on EL6484. Significant thicknesses of disseminated and vein-style sulphide mineralisation were intersected in the drill holes. Non-economic widths and grades of gold mineralisation were intersected. An assessment of the drill results has been conducted and it has been determined that follow up drilling is not warranted.

High grade zinc and lead mineralisation was located in 2008 at the McAlpine prospect, where an old shaft was sunk to a depth of 34m. The overall potential of this prospect has been hard to determine due to the limited surface outcrop of the zinc-lead mineralisation. It is planned to complete a surface electromagnetic survey in order to obtain some information on the potential size and attitude of the zinc-lead mineralisation, such that a drill hole can be properly targeted.

Figure Three – Location of Lachlan Fold Belt Tenements



North Parkes - EL6643 and EL6644

The North Parkes area comprises two ELs located to the north of the township of Parkes, some 90km west-northwest of Orange in central NSW. The area lies within the central portion of the Parkes-Narromine Volcanic Belt. The project area occurs in close proximity to the North Parkes porphyry gold-copper deposit, the Peak Hill epithermal gold deposit and the recently discovered Wyoming gold prospect.

Ashes Prospect

The geology of the Ashes prospect is characterised by north trending andesitic volcanic rocks and associated volcanogenic sediments of the Goonumbla Volcanics, which are similar to the rocks that host the Northparkes copper-gold porphyry deposit, approximately 6 kilometres to the west. Previous rock chip sampling by Meridian at Ashes defined a geochemical anomaly striking 300m north-south, with gold grades up to 8.8g/t and copper values up to 5.5%. To further investigate the highly encouraging copper and gold values, an Induced Polarisation ("IP") geophysical survey was completed.

An excellent quality IP anomaly was located at Ashes, extending over all three lines surveys. The IP anomaly and anomalous copper and gold define a target zone 600m in strike length and up to 200m in width. An initial drill hole was drilled to test the Ashes IP/geochemical target. No significant mineralisation was intersected in this drill hole, but prospective geology was encountered. The results of this drill hole are being investigated as to whether or not the Ashes IP Anomaly has been properly tested. Another follow up drilling program is being considered.

Boomey - EL6567

The Boomey tenement is located within a magmatic complex comprising intrusive and volcanic rocks within the Ordovician-aged Molong Volcanic Belt. Previous interpretation of aeromagnetic and gravity geophysical data has outlined the presence of several prospective northwest striking regional structures. Similarly oriented structures are intimately associated with known copper-gold porphyry mineralisation in other areas of the Lachlan Fold Belt.

Bones Prospect

Shallow RAB drilling completed by previous explorers at the Bones Prospect, intersected anomalous copper and gold mineralisation in bottom of hole samples over an area of approximately 600m by 400m. This area of anomalism is directly associated with prospective northwest trending structures clearly evident in aeromagnetic data.

An IP geophysical survey was completed at Bones over an area of strong geochemical anomalism. A series of high quality IP anomalies were generated at the Bones prospect. The IP anomalies appear to be associated with a magnetic, hydrothermally altered andesite and display two distinct styles of anomalies. Both the anomaly styles are capable of being due to porphyry copper-gold mineralisation and warrant drill testing.

3. Thomson Project (NSW)

The Thomson Fold Belt gold-copper Project is a greenfields exploration project which is composed of six tenements (EL7003, EL7004, EL7005, EL7006, EL7007 and EL7008) covering prospective aeromagnetic and gravity anomalies in the Thomson Fold Belt in northern New South Wales to the west of Bourke.

Interpretation of regional geophysical and geological data suggests that the Thomson Fold Belt is the northern undercover extension of the highly prospective Lachlan Fold Belt. The exploration concept behind this project is to explore for granite-associated gold-copper mineralisation (Cu-Au porphyry, Fe-oxide Cu-Au, epithermal/skarn-associated gold-copper systems), similar to that found in the Lachlan Fold Belt, in a highly prospective and yet essentially unexplored terrane.

Five aeromagnetic anomalies have been covered with ground magnetic data to assess their potential for granite associated gold-copper mineralisation. Drill targets have been selected from each of the five target areas and initial contact has been made with the relevant landowners to facilitate access.

Due to the greenfields nature of the Thomson Project, the Company has decided to bring a joint venture partner into the project in order to undertake testing of the prospective magnetic anomalies. Discussions have commenced with a number of potential joint venture partners.

4. Gawler Project (SA)

The Gawler Craton Gold-Copper-Uranium Project comprises exploration tenements EL3754, EL3755 and applications ELA2006/306, ELA2006/307, ELA2006/308, ELA2006/309 and ELA2006/310 within the Iron Oxide-Gold-copper ± Uranium (IOCGU) prospective Gawler Craton (Figure Four).

The Gawler Craton contains BHP-Billiton's Olympic Dam IOCGU deposit, which is the world's fourth largest copper deposit and the largest uranium deposit, and OZ Minerals Prominent Hill deposit.

Due to the prevalence of uranium-rich basement rocks within the Gawler Craton, younger unconformity, sandstone/roll-front and surficial/calcrete uranium deposits are also found.

No work was completed on either EL3754 or EL3755 during the Quarter.

5. Running River Tin Project (QLD)

The Running River Tin Project comprises EPM 15628 situated within the Kangaroo Hills Mineral Field 120km northwest of Townsville. Several areas within the project area have been mined for both hard rock and alluvial tin previously. At least sixteen centres of tin mineralisation are known with the Kangaroo Hills Mineral Field

Discussions are underway with a company who is interested in either farming-in to or purchasing the Running River Project.

6. Corporate Activity

On 7 July 2009, a capital raising of \$774,810 was completed in order to provide funds for working capital requirements related to the due diligence program on the Lennard Shelf Zinc-Lead Project. The placement comprised a total issue of 17,218,000 new ordinary shares at \$0.045 per share to clients of Patersons Securities Limited, as well as sophisticated and professional investors.

Following the end of the Quarter, Meridian completed a further capital raising of \$900,000, issuing a total of 15,000,000 new ordinary shares at \$0.06 per share to sophisticated and professional investors. This raising was completed with the assistance of Patersons Securities Limited. The funds raised will enable Meridian to maintain its recent high levels of activity on the Lennard Shelf Project in completing all necessary field work, approvals and preparations ahead of the planned 20,000m drill program at Kapok / Kapok West.



For further information please visit
or www.meridianminerals.com.au or contact:

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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 quality 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.



Company Directory

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Issued capital:

Ordinary shares: 147,004,666 (MII)
Listed Options: 55,664,998 (MIIO)

Directors:

Ray Miller – Chairman
Jeremy Read – Managing Director
Morrice Cordiner – Non-Executive Director
Paul Niardone – Non-Executive Director
Michael Howard – Non-Executive Director

Company Secretary:

Roslynn Shand

Our Vision

To be one of Australia's most successful exploration and development companies unlocking value and creating wealth for our shareholders

APPENDIX 5B MINING EXPLORATION ENTITY QUARTERLY REPORT

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Meridian Minerals Limited

ABN

93 125 277 634

Quarter ended ("current quarter")

30 September 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	10	10
1.2 Payments for		
(a) exploration and evaluation	(522)	(522)
(b) development	-	-
(c) production	-	-
(d) administration	(322)	(322)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	33	33
	(GST refund)	(GST refund)
Net Operating Cash Flows	(797)	(797)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(0)	(0)
1.13 Total operating and investing cash flows (carried forward)	(797)	(797)

1.13	Total operating and investing cash flows (brought forward)	(797)	(797)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. (net underwriting fees)	775	775
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	774	774
	Net increase (decrease) in cash held	(22)	(22)
1.20	Cash at beginning of quarter/year to date	552	552
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	530	530

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	62
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

Payment of Directors fees and salaries

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	-
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	-

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	0
	Total	100

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	324	324
5.2 Deposits at call	206	206
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	530	530

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	--	--	--
6.2	Interests in mining tenements acquired or increased	--	--	--

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺ securities (<i>description</i>)	-	-	-	-
7.2 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺ Ordinary securities	132,004,666	116,986,666		
7.4 Changes during quarter				
(a) Increases through issues	17,218,000	17,218,000	4.5 cents	4.5 cents
(b) Decreases through returns of capital, buy-backs				
7.5 ⁺ Convertible debt securities (<i>description</i>)	-	-	-	-
7.6 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (<i>description and conversion factor</i>)	55,664,998	55,664,998	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 26/2/2011
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (<i>totals only</i>)	-	-		
7.12 Unsecured notes (<i>totals only</i>)	-	-		

+ See chapter 19 for defined terms

COMPLIANCE STATEMENT

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



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(Company Secretary)

Date: 30 October 2009

Print name: Roslynn Shand

NOTES

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.