

24 December 2010

Lodgement of Prospectus

Meridien Resources Limited (**NSX Code: MRW**) (**Company**) advises that it has today lodged with the Australian Securities and Investments Commission a prospectus for the offer of new shares (**Prospectus**) for the purpose of qualifying the Company for admission to the Official List of ASX Limited (**ASX**). The Prospectus is for the offer of:

- (a) 15,000,000 fully paid ordinary shares at an issue price of 20 cents each to raise a minimum of \$3,000,000 (**Minimum Subscription**); plus
- (b) oversubscriptions of up to a further 10,000,000 fully paid ordinary shares at an issue price of 20 cents each to raise an additional \$2,000,000 may also be accepted (**Maximum Subscription**).

ASIC has indicated that it has automatically extended the exposure period from 7 days to 14 days. The exposure period will therefore now expire on 7 January 2011.

Until admission to the Official List of ASX occurs, the Company will remain listed on the NSX. While application will be made to ASX, no assurance or representation (express or implied) can be given that the Company will be admitted to the Official List of ASX.

The funds raised under the Prospectus will be applied as set out in Sections 3.5 and 4.7 of the Prospectus.

A copy of the Prospectus is lodged herewith.

Yours faithfully,

MERIDIEN RESOURCES LIMITED



Richard Hill
Company Secretary

MERIDIEN RESOURCES LIMITED

ACN 131 758 177

PROSPECTUS

Prospectus for the issue of 15,000,000 fully paid ordinary shares at an issue price of 20 cents each to raise a minimum of \$3,000,000
(Minimum Subscription)

Oversubscriptions of up to a further 10,000,000 fully paid ordinary shares to raise an additional \$2,000,000 may also be accepted
(Maximum Subscription)



Sponsoring Broker
AFS Licence 338943

Important Information

This is an important document and should be read in its entirety. Many of the mineral properties described in this Prospectus are at various stages of exploration and evaluation and accordingly investment in the Shares offered by this Prospectus should be regarded as speculative in nature. If you do not understand any provisions of this Prospectus please consult your professional advisor without delay.

MR
MERIDIEN RESOURCES

Corporate Directory

DIRECTORS

Mr Kevin Good Non-Executive Chairman
Mr Michael Ivkovic Managing Director
Mr Kevin Shirlaw Non-Executive Director
Mr John MacFarlane Non-Executive Director

COMPANY SECRETARY

Mr Richard Hill

TECHNICAL COMMITTEE

Charles Straw
Chris Sylvester

INDEPENDENT ACCOUNTANT

RSM Bird Cameron Corporate Pty Ltd
Level 12, 60 Castlereagh St
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SOLICITOR

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Melbourne VIC 3000
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SPONSORING BROKER

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Ph: +61 2 9276 3100
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INDEPENDENT GEOLOGIST

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Ph: +61 2 6362 5155
Fax: +61 2 6363 1324

REGISTERED OFFICE

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RESERVED ASX CODE: MRJ

AUDITOR

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Sydney NSW 2000
Ph: +61 2 9233 8933
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TENEMENTS REPORT

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Willoughby NSW 2068
Ph: +61 2 9967 4844
Fax: +61 2 9967 4614

SHARE REGISTRY

Registries Limited
GPO Box 3993
Sydney NSW 2001
Ph: + 61 2 9290 9600
Fax: + 61 2 1300 653 459

KEY DATES

| | |
|---|-------------------------|
| Lodgement of Prospectus with ASIC | 24 December 2010 |
| Expected Opening Date | 1 January 2011 |
| Expected Closing Date | 14 February 2011 |
| Allotment of Shares under this Prospectus | 21 February 2011 |
| Expected date of despatch of holding statements | 22 February 2011 |
| Expected date of quotation of Shares on ASX | 28 February 2011 |

The above dates are indicative only and may vary. The Company reserves the right to close the Offer early, or extend the Closing Date without prior notice. Applicants are therefore encouraged to submit Applications as soon as possible after the Opening Date.

Important Information

General

This Prospectus is dated 24 December 2010 and was lodged with the ASIC on 24 December 2010.

The Company is presently listed on the National Stock Exchange of Australia Limited (**NSX**). NSX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the content of this Prospectus.

Application will be made within seven days of the date of this Prospectus for the Company's Shares to be admitted to the Official List of the ASX. Neither the ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company. The Directors of the Company reserve the right to vary the timetable described in this Prospectus without prior notice, or vary any of the important dates set out in this Prospectus, including extending the Closing Date of the Issue.

No Shares will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

Disclaimer

No person or entity is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or the Directors.

Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus, which may be viewed online at the Company's website www.meridienresources.com.au. The Offer of Shares pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. During the Offer period, any person may obtain a hard copy of this Prospectus by contacting the Company. By submitting an Application Form, the Applicant declares that they were given access to the Prospectus, together with an Application Form.

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares or the Offer or otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an Offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

All amounts in this Prospectus and the Application Form are in Australian dollars unless otherwise specified.

Australian Financial Services Licence

The Company does not hold, and does not intend to hold, an Australian Financial Services License and the Directors have decided that the Company will only issue Shares pursuant to this Prospectus under an arrangement of the type contemplated by section 911A(2)(b) of the Corporations Act made with the holder of an Australian Financial Services License. Offers under this Prospectus will be made pursuant to an arrangement between the Company and an Australian Financial Services Licensee pursuant to section 911A(2)(b) of the Corporations Act. The Company will only authorise licensees to make offers to people to arrange for the issue of Shares by the Company under this Prospectus and the Company will only issue Shares in accordance with such offers if they are accepted.

Dayton Way Financial Pty Ltd is the holder of Australian Financial Services License number 338943 and the Company has procured the services of Dayton Way Financial Pty Ltd to make the offers of Shares under this Prospectus. Please refer to Section 13.1 of this Prospectus for further information.

Important Information

Exposure Period

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgment of the Prospectus with the ASIC. This period may be extended by the ASIC for a further period of 7 days. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds, which examination may result in the identification of deficiencies in the Prospectus. Should this Prospectus be found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act.

Applications received prior to the expiration of the Exposure Period will not be processed until after expiry of the Exposure Period. No preference will be given to Applications received in the Exposure Period.

Speculative Investment

Applicants should read this Prospectus in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to apply for Shares. There are risks associated with an investment in the Company and the Shares offered under this Prospectus must be regarded as a speculative investment. No person named in this Prospectus nor any other person guarantee a return on capital investment, payment of dividends, repayment of capital or the future value of the Shares. The Offer does not take into account the investment objectives, financial situation or particular needs of the investor.

Risk Factors

Prospective investors should read this Prospectus in its entirety, including the Risk Factors in Section 7, Independent Geologist's Report in Section 9, the Investigating Accountants' Report in Section 10, and the Tenements Report in Section 12.

Application Form

Applications for Shares can only be made by completing the Application Form accompanying this Prospectus. Instructions on how to apply are set out in Section 3.16 of this Prospectus and on the back of the Application Form.

Definitions and Defined Terms

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 15 of this Prospectus. Any diagrams and illustrations in this Prospectus, except where indicated, are not necessarily assets owned by the Company, but have been included to give an indication of the nature and/or location of the Company's business, operations and industry in which it operates.

Privacy

By completing an Application Form, Applicants will be providing personal information to the Company (directly or via the Share Registry). The Company will collect, hold and use that information to service Shareholders' needs, communications and related administration. The information may also be disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, print service providers, mail houses and share registry activities generally. Shareholders can access, correct and update the personal information held by the Company by contacting the Company.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules. If Applicants do not provide the information required on the Application Form, the Company may not be able to accept or process an Application.

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Letter from the Chairman

01

Dear Investor

On behalf of the Directors it is my pleasure to invite you to subscribe for Shares in Meridien Resources Limited (*Company*), an emerging gold exploration and mining company with an initial focus on the Central West corridor of New South Wales. The Company is currently listed on the National Stock Exchange of Australia and now seeks to be admitted to the Official List of the Australian Securities Exchange.

This Prospectus invites investors to apply for a Minimum Subscription of 15,000,000 Shares at an issue price of \$0.20 per Share to raise \$3,000,000. The Company may also accept oversubscriptions of up to the Maximum Subscription of a further 10,000,000 Shares to raise an additional \$2,000,000. The maximum amount which may be raised under this Prospectus is therefore \$5,000,000.

The Company's primary tenement is an exploration licence pertaining to the Lucky Draw gold tailings dam situated at Burruga, approximately 3 hours west of Sydney. The Company also holds the freehold title in respect of land covered by the Lucky Draw tailings dam. Recent drilling and geological assessment has determined a JORC compliant gold resource of 21,400 ounces of gold containing a measured resource of 17,900 ounces of gold.

The Company has also entered into an agreement to acquire up to an 80% interest in Jaguar Minerals Limited's Springfield tenement EL 5991 which has a JORC inferred resource of 85,000 ounces of gold. The Company has also entered into agreements to farm in to two further tenements in Central West of New South Wales held by Jaguar Minerals Limited and Augur Resources Limited.

The Company proposes to apply the funds raised under this Offer as follows:

- apply for a mining licence in respect of the Lucky Draw tailing dam with the objective of being in gold production by November 2011;
- engage industry consultants to determine specifications, design, budget and timetable for the construction of a CIP Plant for gold processing at Lucky Draw;
- finalise contractual arrangements with PYBAR Mining Services for the project management of the proposed Lucky Draw mining operation; and
- commence exploration on the tenements currently held by Jaguar Minerals and Augur Resources.

The Board has a broad mix of skills and experience in mining, finance and the management of public companies. These skills are also complemented by the experience of the Technical Committee and the proposed project manager, PYBAR Mining Services, that have the geological and engineering expertise to assess, acquire, develop and operate small to medium scale mining projects in a professional and cost effective manner.

On behalf of the Directors, I recommend this investment opportunity to you and look forward to your involvement with the Company in pursuing its objectives to successfully prove up, develop and commercialise the Company's current and proposed projects.

Yours sincerely



Kevin Good
Chairman

Investment Highlights and Key Risks

INVESTMENT HIGHLIGHTS

The investment highlights below provide a selective overview of the Company. Investors should read the Prospectus in full and, in particular, the Risk Factors affecting the Company set out in Section 7 of this Prospectus, before deciding whether to invest in the Company.

| | |
|---|--|
| Geographically Focused | Holds one exploration license and has entered into agreements to acquire an interest in three other exploration licences, all located in the Central West corridor of New South Wales on the Lachlan Fold Belt. |
| Tenements Situated in Prospective Gold Province | Located within 200 kilometres of Newcrest Mining Limited's Cadia Hill mine and in an area of major gold reserves with established mining, processing and infrastructure. |
| Near Term Production at Lucky Draw | <ul style="list-style-type: none"> • Lucky Draw tailings dam project situated at Burruga, approximately 3 hours west of Sydney. • The Company has acquired the freehold land hosting the Lucky Draw tailings dam. • Aim to commence production in late 2011, subject to the granting of a Mining Licence by the New South Wales Department of Primary Industries. • Memorandum of Understanding with PYBAR Mining Services with respect to the project management of mining and processing the tailings at Lucky Draw. |
| JORC Classified Resource | <ul style="list-style-type: none"> • Lucky Draw - 21,400 in-situ ounces of gold of JORC compliant resource of which 17,900 ounces of gold is measured. • Springfield - 85,000 ounces of inferred JORC compliant resource. |
| Drill Ready Targets | Potential to increase JORC compliant reserves. |
| Opportunities for Expansion | <ul style="list-style-type: none"> • Heads of agreement and farmin agreement with Jaguar Minerals in respect of gold projects at Springfield and Mt David respectively. • Heads of Agreement with Augur Resources in respect of the Weelah gold project. |
| Currently listed on NSX | The Company was listed on the NSX on 29 October 2009. |
| Experienced Management | Qualified and experienced Directors supported by a highly competent Technical Committee. |

KEY RISKS

Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The Risk Factors set out in Section 7 of this Prospectus, and other general risks applicable to all investments in securities, may affect the future value of the Shares. Accordingly, an investment in the Company should be considered highly speculative. The Company notes the following major risks specific to the Company:

- (a) **Exploration Risk** – The Company’s tenements as described in this Prospectus are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings which can be impacted by force majeure circumstances, cost over-runs, inconsistent grades and other unforeseen events.
- (b) **Native title and Aboriginal heritage claims** - In applying for certain tenements and carrying out exploration and/or mining operations, the Company must observe native title legislation and Aboriginal heritage legislation which protects Aboriginal sites and objects of significance.
- (c) **Title Risk** – The Company’s ability to fully exploit its assets will be dependent upon its ability to maintain or obtain tenure to exploration and mining licenses, and to comply with conditions imposed on such tenure.
- (d) **Environmental Risks** – The Company’s operations may be subject to stringent environmental laws and regulations. The Company’s obligations in respect of any production at its tenements, are not yet known.
- (e) **Operational Risks** – The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including local conditions, the ability to source competent personnel and suitable plant and equipment. Production may therefore be curtailed by government regulation, equipment failures, staff shortages and other factors.
- (f) **Water Supply** – The Company believes that it can obtain adequate water from several sources including the community dam, the closed mine pit at Lucky Draw west and prospective bore water. However, the supply of water in Central and Western New South Wales can be problematic and the operation of Lucky Draw is dependant on a consistent supply of water to the proposed CIP Plant.
- (g) **Gold Price** – On the commencement of production, the Company’s financial performance will be sensitive to the spot price of gold. Accordingly, results from operations could be materially affected if gold prices fall for any significant period.
- (h) **Exchange Rate** – The gold price is quoted in US\$. As a result, the Company is exposed to exchange rate risk. The Company does not currently have any exchange rate hedging arrangements in place although this may be considered by the Company in the future.

Details of the Offer

3.1 OFFER

This Prospectus invites investors to apply for a total of 25,000,000 Shares at an issue price of 20 cents per Share to raise \$5,000,000.

The Minimum Subscription for the Offer is for the issue of 15,000,000 Shares at an issue price of 20 cents per Share to raise \$3,000,000. The Company may also accept oversubscriptions up to Maximum Subscription of up to a further 10,000,000 Shares to raise an additional \$2,000,000.

All Shares issued pursuant to this Prospectus will be issued as fully paid and will rank equally in all respects with the Shares on issue.

Applications must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 2,500 (\$500) Shares, and can only be made by completing the Application Form attached to this Prospectus.

The Company reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for.

3.2 KEY DATES

| | |
|--|-------------------------|
| Lodgement of Prospectus with ASIC | 24 December 2010 |
| Expected Opening Date | 1 January 2011 |
| Expected Closing Date | 14 February 2011 |
| Expected Allotment of Shares under this Prospectus | 21 February 2011 |
| Expected date of dispatch of holding statements | 22 February 2011 |
| Expected date of quotation of Shares on ASX | 28 February 2011 |

The above dates are indicative only and may be subject to change without notice. The Company reserves the right to close the Offer early, or extend the Closing Date without prior notice. Applicants are therefore encouraged to submit Applications as soon as possible after the Opening Date.

3.3 MINIMUM SUBSCRIPTION

Under the Minimum Subscription the Company may accept 15,000,000 Shares at an issue price of 20 cents per Share to raise \$3,000,000.

No Shares will be issued pursuant to this Prospectus until the Minimum Subscription has been raised. Should the Minimum Subscription not be raised within three months after the date of this Prospectus, all application monies will be dealt with in accordance with the Corporations Act.

3.4 MAXIMUM SUBSCRIPTION

Under the Maximum Subscription the Company may accept applications for a further 10,000,000 Shares at an issue price of 20 cents per Share to raise an additional \$2,000,000. The maximum amount which may be raised under this Prospectus is therefore \$5,000,000.

3.5 EXPENDITURE PLANS AND USE OF FUNDS

It is proposed that the funds raised from the Offer will be applied in the two years after the Company is admitted to the Official List of ASX as follows:

| Use of Funds | Minimum Subscription | | Maximum Subscription | |
|---|----------------------|----------------|----------------------|------------------|
| | Year 1 \$ | Year 2 \$ | Year 1 \$ | Year 2 \$ |
| Lucky Draw mining licence application | 200,000 | - | 200,000 | - |
| Project feasibility | 300,000 | - | 300,000 | - |
| Exploration expenditure ^(a) | 250,000 | 400,000 | 500,000 | 1,000,000 |
| Costs of the Offer including broker fees ^(b) | 353,500 | - | 483,500 | - |
| General and administration expenses | 500,000 | 500,000 | 500,000 | 500,000 |
| Total | 1,603,500 | 900,000 | 1,983,500 | 1,500,000 |
| Cash at Bank | 1,396,500 | | 3,016,500 | |

(a) Details are set out in the Expenditure Budget Summary in Section 4.7 of this Prospectus.

(b) Details of these costs are set out in the Expenses of the Offer in Section 14.8 of this Prospectus.

The above table is a statement of current intentions as at the date of this Prospectus. Intervening events (including exploration results) and new circumstances have the potential to impact the actual application of funds. The Board therefore reserves the right to alter the way funds are ultimately applied.

The Directors believe that the funds raised under the Minimum Subscription will provide sufficient working capital for the Company to achieve its objectives as set out in this Prospectus.

3.6 CAPITAL STRUCTURE

The Company's pro-forma capital structure is as follows:

| | Minimum Subscription | % | Maximum Subscription | % |
|--|-------------------------|--------------|-------------------------|--------------|
| Shares | | | | |
| Shares on issue as at the date of this Prospectus ^(a) | 20,741,426 | 52.92 | 20,741,426 | 42.16 |
| Shares to be issued under this Prospectus | 15,000,000 | 38.27 | 25,000,000 | 50.82 |
| Issued Shares on completion of the Offer | 35,741,426 | 91.20 | 45,741,426 | 92.99 |
| Shares to be issued under the Convertible Notes ^(b) | 2,300,000 | 5.87 | 2,300,000 | 4.68 |
| Shares to be issued to Jaguar Minerals ^(c) | 1,000,000 | 2.55 | 1,000,000 | 2.03 |
| Shares to be issued to Augur Resources ^(d) | 150,000 | 0.38 | 150,000 | 0.30 |
| Total Shares on issue after conversion and the issue to Jaguar Minerals and Augur Resources | 39,191,426 | 100 | 49,191,426 | 100 |
| Options | | | | |
| Option on issue as at the date of this Prospectus ^(e) | 8,985,000 | 89.98 | 8,985,000 | 85.69 |
| Broker Performance Options ^(f) | 1,000,000 | 10.02 | 1,500,000 | 14.31 |
| Total Options | 9,985,000 | 100 | 10,485,000 | 100 |

Notes:

- There are 8,946,000 Shares subject to escrow by the NSX until 29 October 2011. The ASX may not necessarily, as a condition of admitting the Company to the Official List, classify the same number of Shares as Restricted Securities.
- The Company currently has 1,725,000 Convertible Notes on issue that are convertible into 2,300,000 Shares. A summary of the terms of the Convertible Notes are set out in Section 14.4 of this Prospectus.
- Details of the issue of Shares to Jaguar Minerals are set out in Section 13.2 of this Prospectus.
- Details of the issue of Shares to Augur Resources are set out in Section 13.4 of this Prospectus.
- There are 4,473,000 Options subject to escrow by the NSX until 29 October 2011. The ASX may not necessarily, as a condition of admitting the Company to the Official List, classify the same number of Options as Restricted Securities. The terms of the Options are set out in the Section 14.3 of this Prospectus.
- The terms of the Broker Options are set out in Sections 13.1 and 14.3 of this Prospectus.

3.7 UNDERWRITING

The Offer is not underwritten.

3.8 SPONSORING BROKER

The Company has entered into a Sponsoring Broker Mandate with Dayton Way Financial to act as Sponsoring Broker to the Offer. Terms and conditions of the Sponsoring Broker mandate are set out in Section 13.1 of this Prospectus.

3.9 CASH FLOW PROJECTIONS

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the Company's operations are inherently uncertain and are speculative. Accordingly, any forecast or projected information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

3.10 DIVIDEND POLICY

The Company anticipates that significant expenditure will be required to develop the Company's projects over the next two years and it does not anticipate declaring dividends during that period.

3.11 ALLOTMENT AND ALLOCATION OF SHARES

Subject to ASX granting approval for the Company to be admitted to the Official List, the allotment of Shares to Applicants will occur as soon as practicable after the Closing Date and the Application Forms and Application Monies have been received for the Minimum Subscription. The dispatch of holding statements will then occur. It is the responsibility of Applicants to determine their allocation of Shares prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

Pending the issue of the Shares or return of the Application Monies, the Application Monies will be held in trust for the Applicants. Any interest that accrues will be retained by the Company and not be paid to Applicants.

The Directors have the right to allocate Shares under the Offer. The Company may reject any Application or allocate any Applicant fewer Shares than applied for under the Offer. If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded.

The Directors reserve the right not to proceed with the Offer, close the Offer early, extend the Offer or accept late Application Forms.

3.12 APPLICANTS OUTSIDE AUSTRALIA

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be allotted Shares.

No action has been taken to register or qualify the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

3.13 ASX LISTING

Within 7 days after the date of this Prospectus, the Company intends to apply for admission of its Shares to the Official List of ASX. If granted, quotation of the Shares will commence as soon as practicable after allotment of Shares under this Prospectus.

The fact that ASX may admit the Company to its Official List is not to be taken in any way as an indication by ASX of the merits of the Company or the Shares offered by this Prospectus. If ASX does not grant permission to admit the Shares to the Official List within 3 months after the date of this Prospectus, or any longer period permitted by the Corporations Act, all Applications will be dealt with in accordance with section 724 of the Corporations Act.

3.14 CHESS

The Company will apply to participate in the Clearing House Electronic Sub-register System (CHESS), operated by ASX Settlement Pty Limited (**ASX Settlement**), in accordance with the Listing Rules and the ASX Settlement Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of Shares.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, the Company will provide Shareholders with a holding statement (which is similar to a bank account statement) that sets out the number of Shares allotted to that Shareholder under this Prospectus. This statement will also advise investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer-sponsored sub-register. A statement will be routinely sent to Shareholders at the end of any calendar month during which their holding changes. A Shareholder may request a holding statement at any other time however a charge may be incurred for additional holding statements.

3.15 ENQUIRIES IN RELATION TO THE OFFER

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Any potential investor wishing to make an enquiry about the Offer or requiring additional copies of this Prospectus should contact the Company at the details listed in the Corporate Directory of this Prospectus.

3.16 HOW TO APPLY

If you wish to participate in the Offer, you should complete and provide the Application Form attached to this Prospectus before the Closing Date. The Application Form must be completed in accordance with the instructions set out on the back of the Application Form. All completed Application Forms and accompanying cheques should, at any time after the Opening Date be:

| | | | |
|------------|---|---------------|---|
| Posted to: | c/- Meridien Resources Limited Registries Limited GPO Box 3993 Sydney NSW 2001 | Delivered to: | c/- Meridien Resources Limited Registries Limited Level 7, 207 Kent Street Sydney NSW 2000 |
|------------|---|---------------|---|

Cheques must be made payable to “*Meridien Resources Limited - Share Offer*” and crossed “*Not Negotiable*”. No brokerage or stamp duty is payable by Applicants.

Applications must be for a minimum of 10,000 Shares (\$2,000), thereafter in multiples of 2,500 Shares (\$500). The Company reserves the right to reject any Application or allocate the Applicant fewer Shares than the number applied for.

An original, completed and lodged Application Form, together with a cheque for the relevant Application Monies, constitutes a binding and irrevocable offer by the Applicant to subscribe for the number of Shares specified on the Application Form. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

If the Application Form is not completed correctly, or if the accompanying payment of the Application Monies is for the incorrect amount set out in the Application, it may still be treated as valid. The Directors’ decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than indicated by the amount of the cheque accompanying the Applicant’s Application Form.

3.17 LISTED ON NSX

The Company’s Shares were admitted to the official list of the NSX on 29 October 2009 and are currently trading under the NSX code MRW. The rights and liabilities attaching to the Shares listed on NSX are detailed in Section 14.2 of this Prospectus. The Shares to be issued under this Prospectus are fully paid ordinary shares which will rank equally with all other Shares on issue from the date of allotment and are the same class of shares as those listed on NSX.

3.18 ESCROW PROVISIONS

The ASX may, as a condition of admitting the Company’s to the Official List, classify certain securities as Restricted Securities. If so, prior to the Shares being admitted to the Official List, the

holders of the Restricted Securities will be required to enter into agreements with the Company not to do, or omit to do, any act which would have the effect of transferring effective ownership and control of any Restricted Security, for a period determined by the ASX, without first obtaining the prior written consent of the ASX. The Share Registry will be requested to provide a holding lock on the securities classified as Restricted Securities, and to not remove the holding lock without the ASX's written consent.

3.19 ELECTRONIC PROSPECTUS

This Prospectus is available on-line at www.meridienresources.com.au.

3.20 PRIVACY DISCLOSURE

If you apply for Shares, you will provide personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Australian company and tax law requires some of your personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed. The Company and the Share Registry may disclose your personal information for purposes related to your investment to its agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- the Sponsoring Broker in order to assess your Application;
- the Share Registry for ongoing administration of the Shareholders' register; and
- the printers and the mailing house for the purposes of preparation and distribution of statements and notices for handling of mail.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information held by (or on behalf of) the Company and the Share Registry. You can request access to your personal information by telephoning or writing to the Share Registry at the following contact details:

Registries Limited
GPO Box 3993
Sydney NSW 2001
Ph: + 61 2 9290 9600
Fax: + 61 2 1300 653 459
Web: www.registries.com.au

Company Projects

4.1 BACKGROUND

Meridien Resources Limited was listed on the National Stock Exchange of Australia on 29 October 2009 and its Shares are currently trading under the NSX code MRW.

The Company's main business objective is to focus on the exploration and development of gold deposits in the Central West of New South Wales. The Company has assembled a portfolio of projects which the Board is of the view can pursue its business objectives and resource strategy.

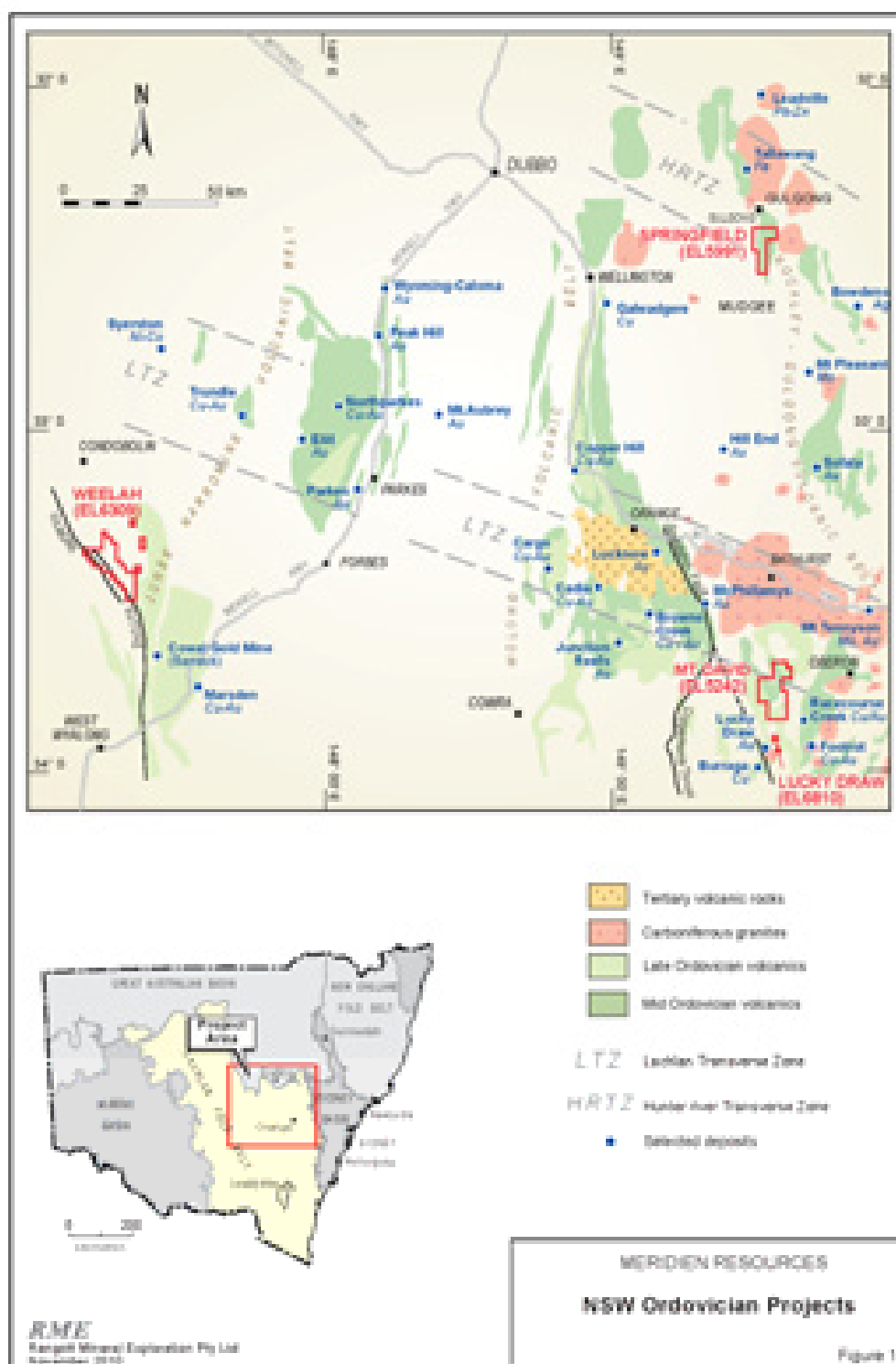
The proposed ASX listing will allow the Company to progress its resource evaluation, drilling and mining programs at its projects. The Company proposes to apply the funds raised under this Offer as follows:

- apply for a mining licence in respect of the Lucky Draw tailing dam with the objective of being in gold production by November 2011;
- engage industry consultants to determine specifications, design, budget and timetable for the construction of a CIP Plant for gold processing at Lucky Draw;
- finalise contractual arrangements with PYBAR Mining Services for the management of the proposed Lucky Draw mining operation; and
- commence exploration on the tenements currently held by Jaguar Minerals and Augur Resources.

The Board has also assembled a team of professional consultants and proposed project manager with the experience and capabilities to assess, bring to pre-production status and operate a small to medium scale mining project in a timely and cost effective manner.

The Lucky Draw project is expected to provide cash flow following the anticipated commencement of production in the final quarter of calendar year 2011. The Company anticipates that this will enable the Company to broaden its exploration and acquisition program within the target Central West area of New South Wales.

Recent drilling programs and evaluation at Lucky Draw has determined a JORC compliant resource of 21,400 in-situ ounces of gold of which 17,900 ounces is measured. Further information regarding these resources is set out in Sections 4.4 and 4.5 of this Prospectus and the Independent Gold Resource Statement in Section 8 of this Prospectus.



4.2 RESOURCE DEVELOPMENT STRATEGY

The Company is an emerging gold producer and has a primary focus on the exploration and evaluation of economic gold properties in Central West of New South Wales.

The Company's resource development strategy is summarised as follows:

- Evaluation:** The timely assessment of resources taking into account previous drilling programs to better understand the size and grade of the resources.
- Exploration:** To carry out additional work to better understand the nature of the gold mineralisation on the Company's projects.
- Exploitation:** Determine and implement appropriate models for the mining and treatment of the gold tailings at Lucky Draw.
- Management:** Engage experienced mining contractors to manage the Company's mining and processing operations.
- Expansion:** To grow the Company's portfolio of mineral resources and prospective tenement areas by way of acquisition, joint venture and farmin arrangements.

4.3 PROJECT MANAGEMENT

The Company has entered into a Memorandum of Understanding with PYBAR Mining Services to act as project manager at the Lucky Draw project. The PYBAR MOU incorporates all aspects of implementation, operations (including processing), rehabilitation and closure of the Lucky Draw project.

PYBAR Mining Services is a well established medium sized mining contractor based in Orange, New South Wales and is in close proximity to Burruga and the Company's other prospective projects at Springfield and Mt David. Section 13.8 of this Prospectus sets out further information in relation to the Memorandum of Understanding with PYBAR Mining Services.

The Company anticipates that this co-operation with PYBAR Mining Services may extend to PYBAR Mining Services' joint ownership of the CIP Plant that is required to process the gold tailings at Lucky Draw.

4.4 PROSPECTIVITY

The Lachlan Fold Belt in Central West New South Wales hosts a number of Australia's most significant operating copper-gold mines and remains highly prospective for copper, gold, base metal and nickel deposits.

Located west of the Blue Mountains, the Central West area contains a wealth of natural resources underpinning the region's vibrant economy. As one of the most heavily prospected regions in Australia, exciting new opportunities continue to be identified. This has led to the opening of new

operations at Northparkes (operated by Rio Tinto Limited), Lake Cowal (operated by Barrick Gold Corporation) and the Cadia Hill gold mine (owned by Newcrest Mining Limited).

4.5 PORTFOLIO OF GOLD ASSETS

4.5.1 CENTRAL WEST OF NEW SOUTH WALES

The Company has secured or has entered into agreements in relation to the following portfolio of resource projects:

- EL 6810 - Lucky Draw project held by the Company.
- EL 5991 - Heads of Agreement with Jaguar Minerals to acquire up to 80% of the Springfield gold project.
- EL 5242 - Farmin Agreement with Jaguar Minerals to acquire up to 60% of the Mt David gold project.
- EL 6309 - Heads of Agreement with Augur Resources to acquire up to 80% of the Weelah gold project.

The following is a brief description of the Company's projects. Investors should also refer to the Independent Geologists Report set out in Section 9 of this Prospectus for further information regarding these projects.

4.5.2 EL 6810 - LUCKY DRAW

| | |
|------------------------|---|
| Tenement | EL 6810 |
| Location | Situated near the township of Burruga, approximately 3 hours west of Sydney. |
| Details | <p>Hosts the Lucky Draw tailings dam, with the southwestern corner falling within Exploration Licence 6463, currently held by Burruga Copper Pty Ltd.</p> <p>The Lucky Draw tailings dam project is located 1.3 kilometres northeast of the Lucky Draw gold mine, an open cut mine that ceased operation in 1991. The tailings dam was constructed across a small valley on the west-facing side of a hill, and after completion of milling the dam surface was subsequently largely capped with clayey topsoil and vegetated by sifton bush and grasses.</p> |
| Past activities | <p>As at the date of this Prospectus the Company has completed the following activities:</p> <ol style="list-style-type: none"> 1 Completed air core drilling program of forty holes in May and June 2009, with a total of 309.5 metres drilled. <ul style="list-style-type: none"> • Assay results from all 2009 drillhole intervals indicate an average of 0.512g/t Au. • Average gold grade within the interpreted fresh tailings zone is 0.653g/t Au, with oxidized and fresh tailings combined averaging 0.56g/t Au. • Volume of the fresh and oxidized tailings is approximately 580,000 cubic |

| | |
|----------------------------|---|
| | <p>metres, which depending on assumed density, may equate to 1,044,000 tonnes within the area delineated by the drillholes.</p> <ul style="list-style-type: none"> • This drilling program followed a 1995/96 drilling program by Werrie Gold Limited in which 17 holes for a total of 187 metres and metallurgical testwork was conducted. Cyanide leaching yielded the best results with a 67% gold recovery without requiring regrinding. <p>2 Engaged Lycopodium Minerals to review the testwork.</p> <p>3 Completed a push tube drilling program of 30 holes in May 2010.</p> <ul style="list-style-type: none"> • Samples from this program were weighed to establish the wet and dry density of the tailings. The samples were also assayed by Australian Laboratory Services Pty Ltd with encouraging results. • Interpretation of these results along with the 2009 drilling program was undertaken by GeoRes. A resource statement was received by the Company with sign off on a JORC classified resource (Measured and Indicated) of 1,415,500 tonnes at an average grade of 0.47g/t for a total of 21,400 ounces of in-situ gold. |
| Proposed activities | <p>Subject to the successful completion of the capital raising contemplated by this Prospectus, the Company proposes to complete the following activities:</p> <ol style="list-style-type: none"> 1 Engage Lycopodium Minerals to complete scoping and feasibility studies. 2 Engage RW Corkery & Co to complete an Environmental Impact Statement and obtain the required consents to make an application to the Department of Primary Industries (NSW) for a mining licence. 3 Engage PYBAR Mining Services as project manager to operate and complete the project. Section 13.8 of this Prospectus sets out further information in relation to the agreement with PYBAR Mining Services. <p>As set out in the Tenements Report in Section 12 of this Prospectus, EL 6810 is subject to the Gundungurra Tribal Council Aboriginal Corporation #6 Native Title Claim NC97/7. In applying for the mining licence in relation to this tenement, the “Right to Negotiate” process prescribed by the <i>Native Title Act 1993</i> (Cth) may apply in relation to any area not covered by the freehold land held by the Company.</p> |



Aerial view of Lucky Draw tailings dam
Oblique Aerial Photographs
R.W. Corkery & Co



Drilling at Lucky Draw

4.5.3 EL 5991 – SPRINGFIELD (CURRENTLY HELD BY JAGUAR MINERALS LIMITED)

| Tenement | EL 5991 | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------|---|------------------|---------------|---------------|-------|-------------|-------|-----|---------|-----|--------|-------------|-----|---------|-----|--------|-------------|-----|---------|-----|--------|--------------|------------|------------------|------------|---------------|
| Location | Approximately 220 km north west of Sydney and lies between the towns of Gulgong and Mudgee. | | | | | | | | | | | | | | | | | | | | | | | | | |
| Details | Tenement covers 70km². RC drilling and diamond has defined an inferred resource of 2.636 Mt at 1.0g/t Au for a contained 85,000 ounces Au. | | | | | | | | | | | | | | | | | | | | | | | | | |
| Past activities | <p>Between 1870 and 1927 the Gulgong Gold Field produced an estimated 1,000,000 ounces Au (officially recorded production was 550,000 ounces Au).</p> <p>The following table presents the inferred resource estimates at 1.0g/t Au lower cut offs for the various defined zones at Springfield:</p> <table><tr><th>Zone</th><th>Cut Off Grade</th><th>Tonnes</th><th>Grade</th><th>Ounces Gold</th></tr><tr><td>Oxide</td><td>1.0</td><td>300,000</td><td>1.5</td><td>14,500</td></tr><tr><td>Upper Fresh</td><td>1.0</td><td>360,000</td><td>1.4</td><td>16,200</td></tr><tr><td>Lower Fresh</td><td>1.0</td><td>390,000</td><td>1.3</td><td>16,300</td></tr><tr><td>TOTAL</td><td>1.0</td><td>1,050,000</td><td>1.4</td><td>47,000</td></tr></table> | Zone | Cut Off Grade | Tonnes | Grade | Ounces Gold | Oxide | 1.0 | 300,000 | 1.5 | 14,500 | Upper Fresh | 1.0 | 360,000 | 1.4 | 16,200 | Lower Fresh | 1.0 | 390,000 | 1.3 | 16,300 | TOTAL | 1.0 | 1,050,000 | 1.4 | 47,000 |
| Zone | Cut Off Grade | Tonnes | Grade | Ounces Gold | | | | | | | | | | | | | | | | | | | | | | |
| Oxide | 1.0 | 300,000 | 1.5 | 14,500 | | | | | | | | | | | | | | | | | | | | | | |
| Upper Fresh | 1.0 | 360,000 | 1.4 | 16,200 | | | | | | | | | | | | | | | | | | | | | | |
| Lower Fresh | 1.0 | 390,000 | 1.3 | 16,300 | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 1.0 | 1,050,000 | 1.4 | 47,000 | | | | | | | | | | | | | | | | | | | | | | |

| | <p>The following table presents the inferred Resource estimates at 0.75g/t Au and 0.5g/t Au lower cut offs on the whole tenement at Springfield:</p> <table><tr><th>Zone</th><th>Cut Off Grade</th><th>Tonnes</th><th>Grade</th><th>Ounces Gold</th></tr><tr><td>Global</td><td>0.75</td><td>1,877,000</td><td>1.15</td><td>69,000</td></tr><tr><td>Global</td><td>0.50</td><td>2,636,000</td><td>1.00</td><td>85,000</td></tr></table> | Zone | Cut Off Grade | Tonnes | Grade | Ounces Gold | Global | 0.75 | 1,877,000 | 1.15 | 69,000 | Global | 0.50 | 2,636,000 | 1.00 | 85,000 |
|----------------------------|---|-----------|---------------|-------------|-------|-------------|--------|------|-----------|------|--------|--------|------|-----------|------|--------|
| Zone | Cut Off Grade | Tonnes | Grade | Ounces Gold | | | | | | | | | | | | |
| Global | 0.75 | 1,877,000 | 1.15 | 69,000 | | | | | | | | | | | | |
| Global | 0.50 | 2,636,000 | 1.00 | 85,000 | | | | | | | | | | | | |
| Proposed activities | <p>Additional targets have been identified at EL 5991. The northern and southern ends of the tenement require further testing and it may be possible to extend the resources with further drilling in these areas. There are anomalous intersections in RAB drilling at the northern end of the Springfield prospect that have not been followed up with any deeper RC drilling.</p> | | | | | | | | | | | | | | | |

4.5.4 EL 5242 - MT DAVID (CURRENTLY HELD BY JAGUAR MINERALS LIMITED)

| | |
|----------------------------|--|
| Tenement | EL 5242 |
| Location | Located approximately 40 km south of Bathurst. |
| Details | Covers 128km ² and lies in the highly prospective Ordovician volcanic of the Rockley-Gulgong magmatic arc. |
| Past activities | <p>The old Mt David gold mine produced approximately 27,000 ounces at 12.39g/t Au during the late 19th and early 20th centuries.</p> <p>Five RC drilling holes have already been completed on the northern end of Mt David. The best intersections were 2m @ 2.3g/t Au from 28m and 2m @ 1.7g/t Au from 40m.</p> |
| Proposed activities | <p>Additional targets have been identified on the tenement. All targets are to be researched further, and primary field investigations should involve geochemical surveys, with anomalies to be followed up by geophysics and drilling.</p> |

4.5.5 EL 6309 WEELAH (CURRENTLY HELD BY AUGUR MINERALS LIMITED)

| | |
|-----------------|--|
| Tenement | EL 6309 |
| Location | Located 20 km southwest of Condobolin and 2 km north of Burcher. |
| Details | <p>Tenement comprises 50 units and covers an area of 150km².</p> <p>The tenement is located 32 kilometres to the north west of Barrick Gold Corporation's Cowal gold mine, a 4 Moz epithermal/porphyry deposit where gold is present in</p> |

| | |
|----------------------------|--|
| | <p>quartz, carbonate and sulphide veins.</p> <p>It is located on a splay of the Gilmore Suture, a major structure and influence on mineralisation systems to the south at Cowal, West Wyalong, Temora and other mineral-bearing deposits. The main exploration targets are epithermal gold in andesitic complexes and Peak or Cobar-style deposits within sedimentary sequences.</p> |
| Proposed activities | <p>The Company proposes to conduct systematic follow up exploration at least six exploration targets within EL 6309. These include the following anomalies:</p> <ul style="list-style-type: none"> • the Wilga Hill magnetic anomaly; • the Weelah State Forest anomaly; and • “The Ranch” geochemical anomaly. |

4.6 RESOURCE SUMMARY

The JORC compliance Resources located at each tenement are summarized as follows:

| Project | Resource (tonnes) | Grade (g/t) | JORC Category | Total Contained Ounces |
|----------------|--------------------------|--------------------|----------------------|-------------------------------|
| Lucky Draw | 1,053,100 | 0.53 | Measured | 17,900 |
| | 174,600 | 0.28 | Indicated | 1,600 |
| | 187,500 | 0.31 | Inferred | 1,900 |
| Springfield | 2,636,000 | 1.0 | Inferred | 85,000 |
| Mt David | - | - | - | - |
| Weelah | - | - | - | - |
| Total | | | | 106,400 |

4.7 EXPENDITURE BUDGET SUMMARY

The Company proposes to fund its proposed activities from the proceeds of the Offer as outlined below. These budgets may be assessed and modified on an ongoing basis depending on the results obtained from the exploration carried out. Ongoing assessment of each of the Company’s gold interests may lead to increased or decreased levels of expenditure reflecting a change in emphasis.

| | Minimum Subscription | | Maximum Subscription | |
|----------------|-----------------------------|------------------|-----------------------------|------------------|
| Project | Year 1 \$ | Year 2 \$ | Year 1 \$ | Year 2 \$ |
| Lucky Draw | 500,000 | - | 500,000 | - |
| Springfield | 70,000 | 200,000 | 240,000 | 480,000 |
| Mt David | 100,000 | 100,000 | 100,000 | 100,000 |
| Weelah | 80,000 | 100,000 | 160,000 | 420,000 |
| Total | 750,000 | 400,000 | 1,000,000 | 1,000,000 |

4.8 OTHER OPPORTUNITIES

In addition to pursuing its proposed activities the Company will actively seek and assess new transactions in the gold mining and exploration sector with the objective of creating Shareholder value. The Company does not intend to progress or pursue any of these opportunities until the capital raising contemplated by this Prospectus is complete.

Board and Management



The Company's Board - from left to right: Kevin Shirlaw, Richard Hill (Company Secretary), Kevin Good, John MacFarlane and Michael Ivkovic

5.1 BOARD OF DIRECTORS

The Company's Board of Directors has extensive experience in the investment, mining and insurance industries and is well placed to implement the Company's strategies and achieve the Company's financial objectives. The Directors also have a broad overall skill base in relation to acquisitions, mergers and investments which they will apply in assessing direct and indirect investment activities for the Company. The Directors' global network of contacts will also provide further opportunities to develop the Company's investment portfolio.

All Directors will be involved in the investment process and will provide such time as reasonably necessary to enable adequate review of the Company's operations.

Kevin Good

Non -Executive Chairman

Kevin entered the finance and insurance industry in 1973 when he set up a Sydney-based consultancy business. For the past thirty three years he has continued developing this business to be at the leading edge of innovative financial concepts.

In 1985 Kevin became a director of the then publicly listed North Queensland Resources NL., a position he held until 1989.

In 2005, Kevin became a director of the financial services company, AAA Financial Intelligence Ltd. This company is involved in a broad range of financial services including stockbroking, financial planning, insurance advising, mortgage and finance and general insurance.

Michael Ivkovic

Managing Director

Michael Ivkovic has extensive experience in the structured finance, funds management and investment banking industries in Australia and Asia. Michael was formerly the Chairman of Brick Securities Limited and Executive Chairman of NZI Securities Limited and NZI Investment Services Limited.

Michael established The Australian Private Capital Advisory Services Group in 1988 and retired from that position in 1998 following a management buyout. Since that time he has served as a Director of Paramount Securities Limited, the publicly listed Harrington Group Limited (now named Sun Biomedical Limited), and AFT Limited. Michael is currently an executive director of the NSX listed company Meridien Capital Limited.

Kevin Shirlaw

Non - Executive Director

Kevin Shirlaw became a member of the Institute of Chartered Accountants in 1964 and since 1975 has specialised in business recovery and insolvency, acting as an administrator of numerous public and private companies.

Kevin was a senior partner at legal firm Horwath and Horwath from 1985 to 1998 at which time he became a senior consultant. He now practices as a solicitor at Kevin Shirlaw & Associates.

Kevin is Chairman of the NSX listed company Meridien Capital Limited.

John MacFarlane

Non - Executive Director

John MacFarlane has been involved in the Australian capital markets since 1964 and is a former member of the Stock Exchange of Melbourne and Australian Stock Exchange.

John's major focus is to assist companies with their private and public capital raising initiatives with an emphasis on the resources sector.

John is currently a director of Collins Street Group Pty Ltd, Collins Street Securities Pty Ltd and Technology Development Investment Limited.

John is a Fellow of the Financial Services Institute of Australia and a Practitioner Member of the Securities & Derivatives Industry Association.

John declared voluntary bankruptcy in 1991 and was discharged in 1994.

Richard Hill

Company Secretary

Richard is a senior partner of DFK-Richard Hill, Chartered Accountants and Business Advisory Services. His firm has extensive expertise in the resources sector and currently provides audit and advisory services to several listed Australian companies. Richard is past Chairman and Chief Executive of Carpenter Pacific Resources NL (now named Marion Energy Limited), an ASX listed gold exploration company with extensive exploration interests in Papua New Guinea.

5.2 TECHNICAL COMMITTEE

Charles Straw

Consulting Geologist

Charles Straw is an economic geologist with almost 20 years experience in the global mining industry. His experience is multi-faceted, ranging from executive management of public and private mineral explorers (including mineral exploration, project development, valuation and corporate finance) and in environmental management, planning and geospatial technology applications.

He holds an honours degree in applied geology from the University of New South Wales, Sydney and is a member of the CIM and AUSIMM. He has lead the successful exploration and evaluation of precious and base metals projects in Australia, South America and China and has an international network of technical and financial relationships providing both project flow and project finance.

He has provided private consultancy services for 15 years and has current Board positions on a number of private and unlisted public companies specialising in corporate finance, minerals industry consulting, drilling and mineral exploration.

He is currently a Director and CEO of ASX and London PLUS listed Silver Mines Limited and is a Director and Chief Executive Officer of the Toronto Stock Exchange listed Artha Resources Corporation.

Chris Sylvester

Consulting Metallurgist

Chris Sylvester is an experienced metallurgist who has since 1997 worked as Managing Director of independent metallurgical consulting firm Imcor Engineering Pty Ltd. Prior to this Chris spent 20 years working for international mining engineering firms Crooks Mitchell Peacock Stewart and Bateman Kinhill.

In addition to his metallurgical experience Chris has experience in project evaluation, development and management of projects and translating mining concepts to engineering reality.

Chris has a Diploma in Metallurgy from the University of London. He is a Fellow of the Australasian Institute of Mining and Metallurgy, Member of the Institution of Materials, London and a Chartered Engineer.

5.3 PROJECT MANAGEMENT

On 31 August 2010 the Company and PYBAR Mining Services executed a Memorandum of Understanding (**PYBAR MOU**) that outlines the parties' intention to form a strategic alliance in Central West of New South Wales. The PYBAR MOU provides a platform from which formal agreements are to be negotiated and finalised immediately following the completion of the capital raising proposed in this Prospectus. Further information regarding the PYBAR MOU is set out in Section 13.8 of this Prospectus.



Truck owned by PYBAR Mining Services

Corporate Governance

The Board is committed to ensuring the highest standards of ethical behaviour and accountability within the Company. As such, the Company's corporate governance structures seek to promote integrity and responsible decision making. To the extent that they are relevant to the organisation, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations: 2nd Edition (Revised Principles). The Company's corporate governance principles and policies are therefore structured with regard to the following:

Principle 1 Lay solid foundations for management and oversight

Principle 2 Structure the Board to add value

Principle 3 Promote ethical and responsible decision making

Principle 4 Safeguard integrity in financial reporting

Principle 5 Make timely and balanced disclosure

Principle 6 Respect the rights of Shareholders

Principle 7 Recognise and manage risk

Principle 8 Remunerate fairly and responsibly

(a) **Board Responsibilities**

The Board is accountable to the Shareholders for the performance of the Company and has overall responsibility for its operations. Day to day management of the Company's affairs, and the implementation of the corporate strategy and policy initiatives, will be formally managed by the Board consisting of a majority of independent directors of the Company.

The key responsibilities of the Board will include:

- approving the strategic direction and related objectives of the Company and monitoring management performance in the achievement of these objectives;
- adopting budgets and monitoring the financial performance of the Company;
- overseeing the establishment and maintenance of adequate internal controls and effective monitoring systems;
- overseeing the implementation and management of effective safety and environmental performance systems;
- ensuring all major business risks are identified and effectively managed; and
- ensuring that the Company meets its legal and statutory obligations.

For the purposes of the proper performance of their duties, the Directors are entitled to seek independent professional advice at the Company's expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as and when required.

(b) Size and Composition of the Board

The Directors consider the size and composition of the Board is appropriate given the size and status of the Company. However, the composition of the Board will be subject to review in a number of ways.

- The Constitution provides that at every annual general meeting, one third of the Directors shall retire from office but may stand for re-election.
- Board composition will be also be reviewed periodically either when a vacancy arises or if it is considered the Board would benefit from the services of a new director, given the existing mix of skills and experience of the Board, which should match the strategic demands of the Company. Once it has been agreed that a new director is to be appointed, a search will be undertaken, sometimes using the services of external consultants. Nominations would then be received and reviewed by the Nomination Committee on behalf of the Board.

(c) Ethics and Independence

The Board recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity. The Company intends to maintain a reputation for integrity. The Company's officers and employees are required to act in accordance with the law and with the highest ethical standards. The Board is conscious of the need for independence and ensures that where a conflict of interest may arise, the relevant Director(s) leave the meeting to ensure a full and frank discussion of the matter(s) under consideration by the rest of the Board.

Those Directors who have interests in specific transactions or potential transactions do not receive Board papers related to those transactions or potential transactions, do not participate in any part of a Directors' meeting which considers those transactions or potential transactions, are not involved in the decision making process in respect of those transactions or potential transactions, and are asked not to discuss those transactions or potential transactions with other Directors.

Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be independent directors. In addition, Recommendation 2.2 requires the chairperson of the Company to be independent. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement. In accordance with this definition, all Directors are considered to be independent.

The Company considers industry experience and specific expertise to be important attributes of its Board members and therefore believes that the composition of the Board is appropriate given the size and development of the Company at the present time.

(d) Board Committees

It is the role of the Board to oversee the management of the Company and it may establish appropriate committees to assist in this role. The composition of the committees shall be as follows:

- the majority of the members of each committee of the Board will be non-executive Directors;
- each committee will have a charter approved by the Board; and
- each committee will maintain minutes of each meeting of the committee, which will be circulated to all Directors.

(I) Audit, Risk and Compliance Committee

The Audit, Risk and Compliance committee is comprised of Mr Shirlaw (who acts as chair), Mr Good and Mr MacFarlane, each of whom is a non-executive Director. While all three Directors are directors of Meridien Capital Limited, a company that as at the date of this Prospectus has a substantial holding in the Company, they are the three non-executive Directors of the Company.

The committee's primary responsibilities are to:

- oversee the existence and maintenance of internal controls and accounting systems;
- oversee the management of risk within the Company;
- oversee the financial reporting process;
- review the annual and half-year financial reports and recommend them for approval by the Board of Directors;
- nominate external auditors;
- review the performance of the external auditors and existing audit arrangements; and
- ensure compliance with laws, regulations and other statutory or professional requirements, and the Company's governance policies.

The size and nature of the activities of the Company does not presently require the services of a chief financial officer. The Company's Managing Director, Mr Ivkovic, and the chair of the Audit, Risk and Compliance committee, Mr Shirlaw, will be required to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results are in accordance with relevant accounting standards. Included in this statement will be confirmation that the Company's risk management and internal controls are operating efficiently and effectively.

(II) Remuneration and Nomination Committee

The Board has not established a Remuneration or Nomination Committee as sub-committees of the Board. Remuneration and nomination issues are therefore discussed and resolved at Board level.

(e) Shareholder Communication

The Board strives to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions. Information is communicated to Shareholders through:

- annual, half-yearly financial reports and quarterly reports;
- annual and other general meetings convened for Shareholder review and approval of Board proposals;
- continuous disclosure of material changes to ASX for open access to the public; and
- the Company maintains a website where all ASX announcements, notices and financial reports are published as soon as possible after release to ASX.

The auditor is invited to attend the annual general meeting of Shareholders. The Chairman will permit Shareholders to ask questions about the conduct of the audit and the preparation and content of the audit report.

(f) Identification and Management of Business Risk

The Board has identified the significant areas of potential business and legal risk of the Company. The identification, monitoring and, where appropriate, reduction of significant risk to the Company will be the responsibility of the Board.

The Board reviews and monitors the parameters under which such risks will be managed. Management accounts will be prepared and reviewed at subsequent Board meetings. Budgets are prepared and compared against actual results.

(g) Remuneration

The Chairman and the non-executive Directors are entitled to draw Directors' fees and receive reimbursement of reasonable expenses for attendance at meetings. The Company is required to disclose in its annual report details of remuneration to Directors. The maximum aggregate annual remuneration which may be paid to non-executive Directors has not been approved by Shareholder's resolution. A detailed explanation of the basis and quantum of Directors remuneration is set out in Section 14.15 of this Prospectus.

(h) Securities Trading Policy

The Company has a formal policy for dealing in the Company's securities by Directors, employees and contractors. This sets out their obligations regarding disclosure of dealing in the Company's securities. The Constitution permits Directors to acquire securities in the Company, however Company policy prohibits Directors and senior management from dealing the Company's securities at any time whilst in possession of price sensitive information for:

- twenty (24) hours after any major announcements;
- twenty-one (21) days prior to and 24 hours after the release of the Company's annual and half yearly financial results to the ASX; and
- fourteen (14) days prior to and 24 hours after the release of the Company's quarterly activities and cashflow report to the ASX.

Directors and senior management must advise the Chairman and the Managing Director before buying or selling securities in the Company (or such other process as set out in the Company's Corporate Governance Charter). All such transactions are reported to the Board. In accordance with the provisions of the Corporations Act and the Listing Rules, the Company will advise ASX of any transaction conducted by Directors in the securities of the Company.

Risk Factors

7.1 EXPLORATION SUCCESS

The tenements of the Company as described in this Prospectus are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the project areas described in this Prospectus, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

7.2 OPERATING RISKS

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions;
- limitations on activities due to seasonal weather patterns and cyclone activity;
- unanticipated operational and technical difficulties encountered in seismic survey, drilling and production activities;
- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and
- prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals.

The Company has only a short operating history. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

7.3 RESOURCE AND PROJECT ESTIMATES

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

7.4 COMMODITY PRICE VOLATILITY AND EXCHANGE RATE RISKS

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

7.5 ENVIRONMENTAL RISKS

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities which could lead to extensive liability of the Company such as accidental spills, leakages or other unforeseen circumstances.

Moreover, regulatory change by the Australian Government in response to green house gas emissions may have an effect on the mining and exploration industries. At present it is unclear whether the previously proposed Carbon Pollution Reduction Scheme (**CPRS**) will proceed in its previously proposed draft form, or will proceed at all. Currently, the current government intends to postpone the implementation of the CPRS, at which time further information will be available regarding the effect that the CPRS may have on the mining industry. If the CPRS is implemented, it may result in increased costs to the mining industry and an overall increase in energy prices which may impact the Company's future operations.

7.6 TITLE RISKS AND NATIVE TITLE

Interests in tenements in Australia are governed by the respective State and Territory legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations, may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

The tenements in which the Company has an interest is subject to applications for renewal. There is a risk that these applications will not be granted or transfers not approved.

In addition, continuing title to tenements is conditional on the Company meeting the requirements under which the tenement title is granted and failure to meet those requirements could place the Company's on-going rights to that title and therefore the tenement at risk.

All of the granted tenements in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each tenement or licence is usually at the discretion of the relevant government authority.

Additionally, tenements are subject to a number of specific legislative conditions including payment of rent and meeting minimum annual expenditure and reporting commitments. The inability to meet these conditions could affect the standing of a tenement or restrict its ability to be renewed. If a tenement is not renewed, the Company may suffer significant damage through loss of the opportunity to discover and/or develop any mineral resources on that tenement.

7.7 SHARE MARKET CONDITIONS

The price of the Shares when quoted on ASX will be influenced by international and domestic factors affecting conditions in equity, financial and commodity markets. These factors may affect the general level of prices for listed securities of mining and exploration companies quoted on ASX.

The Company proposed to apply to ASX to be admitted to its Official List. Listed shares are subject to a number of risks, including share price changes, market liquidity and the impact of broader economic changes. An entity listed on ASX must comply with the Listing Rules. Failure to comply with Listing Rules could have economic consequences and/or legal ramifications for the Company, as well as reputational risk.

7.8 GENERAL INVESTMENT RISKS

There is a risk that the price of Shares and returns to Shareholders may be affected by changes in:

- legislation and government policy (including taxation and monetary policies and corporation laws) could materially affect the operating results of the Company; and
- short term and long term interest rates, exchange rates, commodity prices, the strength of the equity markets or the general economic climate (both in Australia and internationally) could materially affect the operating results of the Company.

The success of the Company may be affected by the ability of the Company to raise adequate debt

or equity capital to meet its commitments in respect of its investment activities.

There is no guarantee that an active market will develop in the Shares.

The ability of the Company to pay dividends to its Shareholders will in part depend upon the ability of the Company to make profits through the acquisition and realisation of investments. It is not possible to predict at what point in time profits will be generated or at what point in time the Company will generate sufficient earnings to cover its operating expenses.

Once the existing investments held by the Company are developed and/or realised the success and profitability will depend on the ability of the Directors to identify other opportunities to acquire investments and then realise such investments to generate profits for the Company. Any such investments may not generate the expected returns or capital growth.

Changes in geopolitics on a global, regional or local scale could impact the Company's operations, its access to certain countries and its right to continue operating in a particular country. Acts of terrorism or outbreak of war may disrupt or prevent the Company from operating its business programs.

7.9 SPECIFIC RISKS ASSOCIATED WITH THE COMPANY

There are also a number of specific risks associated with the Company which may adversely affect the Company's financial position, prospects and price of its Shares. In particular, the Company is subject to risks relating to the exploration and development of mineral properties.

Set out below are specific risks that may adversely affect the Company:

1. the Company cannot guarantee that the Lucky Draw mining licence application will be granted in whole or in part. As set out in the Tenements Report in Section 12 of this Prospectus, EL 6810 is subject to the Gundungurra Tribal Council Aboriginal Corporation #6 Native Title Claim NC97/7. In applying for the mining licence, the "Right to Negotiate" process prescribed by the *Native Title Act 1993* (Cth) may apply in relation to the area of the tenement that is not covered by the freehold land held by the Company;
2. the Departments responsible for regulating exploration and mining tenure in each State and Territory from time to time review the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company;
3. the Exploration Budget set out in Section 4.7 of this Prospectus are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be

realised in practice, which may materially and adversely affect the Company's viability; and

4. the future capital requirements of the Company will depend on many factors including its business activities. The Company believes its available cash and the net proceeds of this Offer should be sufficient to fund business development, exploration and other Company objectives in the short term as stated in the Prospectus. Any inability to obtain additional funding, if required, would have a material adverse effect on the Company's business.

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves;
- successful conclusions to bankable feasibility studies;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;
- securing and maintaining title to tenements;
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.

7.10 TAX ISSUES

There may be tax implications arising from the acquisition of Shares, any possible receipt of dividends (both franked and un-franked) and the disposal of Shares. All prospective investors should carefully consider these tax implications and if uncertain as to the relevant taxation issues, obtain further advice from a qualified professional adviser. Tax liabilities are the responsibility of each individual investor and the Company will not be responsible for any tax or related penalties incurred by investors.

7.11 DIRECTORS AND MANAGEMENT

The Company is dependent on a small and skilled team to undertake the business of the Company and implement its exploration and development programs. If Directors or managers were to leave the Company, the Company may not be able to find suitable replacements. Consequently, the exploration and development programs and the management of the Company could be affected by the lack of suitable Directors, managers, employees or staff.

7.12 EARLY STAGE OF DEVELOPMENT

The mineral tenements of the Company as described in the Prospectus are at various stages of exploration and potential investors should understand that mineral exploration and development are high risk undertakings.

There can be no assurance that exploitation of the tenement areas described in this Prospectus, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

7.13 SOLVENCY AND LIQUIDITY RISKS

The Company will not have any income other than the interest on the cash deposits from its capital raising. If the Company were not able to meet the ongoing expenditure and joint venture commitments, the Company may not be able to earn or maintain proposed equity interests in the tenements. Accordingly, the Company could lose entitlement or rights to interests in these projects. As the Company has no operating income, the Shares should be considered speculative.

7.14 FURTHER ISSUE OF SECURITIES

The Company may issue further securities to raise additional capital after this Offer. There is no guarantee that issuance of securities in the future will be at a price which is greater than the price of Shares in the Offer made in this Prospectus. Future Share issues could be dilutionary to existing Shareholders. As the Company has no operating income, it may undertake further security issues to satisfy some liability or expense or raise capital to raise cash to meet operating expenses.

7.15 JOINT VENTURES

The Company has entered into joint venture arrangements with third parties. Special risks associated with joint ventures include the possibility that the joint venture partners, which in certain cases include competitors of the Company, may:

- (a) have economic or business interests or goals that are inconsistent with those of the Company; or

- (b) take action contrary to the Company's policies or objectives with respect to its investments, for instance by vetoing proposals in respect of the joint venture operations; or
- (c) be unable or unwilling to fulfil their obligations under the joint venture or other agreements; or
- (d) experience financial or other difficulties.

Any of the foregoing may have a material adverse effect on the results of operations or financial condition of the Company. In addition, the termination of certain of these joint venture agreements, if not replaced on similar terms, could have a material adverse effect on the results of operations or financial condition of the Company.

The Company may also wish to participate with other third parties to develop future projects. Any joint ventures entered into by or interests in joint ventures assigned to the Company could be affected by the failure or default of those joint venture partner(s).

7.16 MAJOR SHAREHOLDER

Meridien Capital currently holds 24.11% of the Company's Shares and as set out in Section 14.14.1 of this Prospectus, has indicated that it does not intend participate in this capital raising.

If the Company seeks to undertake a further capital raising in the future, there is no guarantee that the major shareholders will participate in such capital raising. Should this occur, the Company may not be able to raise sufficient capital to meet its exploration and/or development objectives and may be required to reduce the scope of its operations.

7.17 OTHER RISKS

7.17.1 Unforeseen Risks

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company and its operations, and on the valuation and performance of the Shares.

7.17.2 Unforeseen Expenditure Risks

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

7.17.3 ADDITIONAL FINANCING REQUIREMENTS

The Directors expect that the proceeds of this offer will provide sufficient capital resources to enable the Company to achieve its initial business objectives. However, the Directors can give no

assurances that such objectives will in fact be met without future borrowings or further capital raisings and if such borrowings or capital raisings are required, that they can be obtained on terms favourable to the Company.

7.17.4 Uninsured Loss and Liability

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of the Company's assets may be at risk.

7.18 OTHER CONSIDERATIONS

Applicants are advised to read this Prospectus in full and consult a qualified adviser if they do not understand the contents or the terms of the Offer.

Prior to applying for Shares all prospective investors should consider whether the Shares are a suitable investment and be aware that there are risks associated with an investment in the Company.

The Directors intend to use prudent management techniques to minimise the risks to Shareholders but no assurance can be given by the Directors as to the likely success or otherwise of the activities of the Company.

An investment in Shares should be regarded as speculative.

Independent Gold Resource Statement

08



GeoRes
PO Box 2332
Bowral NSW 2576
Australia

13th December 2010

Attention: Mr Michael Ivkovic & Mr David Ivkovic

Mendien Resources Limited
Level 29, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Dear Sirs

LUCKY DRAW TAILINGS DAM – GOLD RESOURCE STATEMENT

This document states Mineral Resources of gold, classified according to JORC conventions, within the Lucky Draw tailings dam in New South Wales, Australia, as estimated at December 2010.

INTRODUCTION

Robin Rankin, of GeoRes, was engaged in July 2010 for David Ivkovic of Mendien Resources, through Charles Straw of Davcha Resources Pty Ltd, to estimate Resources of gold within a tailings dam at the closed Lucky Draw gold mine in New South Wales, Australia.

This document:

- states the JORC classified Mineral Resources
- summarises the background data and modelling details
- comments on reconciliation between the Resources and past production figures,
- provides a Competent Person statement,
- gives detailed Consultant statements in an Appendix

As a short statement this document does not list detailed qualifiers (assumptions, conditions and limitations) or a précis of computerised geological modelling methods that would normally accompany a full GeoRes report.

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E-mail robin.rankin@geores.com.au



MINERAL RESOURCES

The following Table summarises the December 2010 JORC classified Global gold Resource in the (full) Lucky Draw tailings dam, using calculated densities and no lower grade cut-offs. Modelling, reporting details, reconciliation, and a Competent Person statement are given in the sections following.

| Resource class | Class % by tonnage | Cut-off (g/t) | Tonnes (t) | Gold (g/t) | Gold (oz) |
|----------------|--------------------|---------------|------------------|-------------|---------------|
| Inferred | 13% | - | 205,500 | 0.33 | 2,200 (.9%) |
| Indicated | 14% | - | 215,000 | 0.30 | 2,100 (.9%) |
| Measured | 73% | - | 1,140,800 | 0.53 | 19,600 (82%) |
| Total | | | 1,561,300 | 0.48 | 23,900 |

Internally the dam consisted of four distinct geological layers (described below). Resources were estimated for each layer individually and are presented in the following Table.

| Layer | Layer % by tonnage | Cut-off (g/t) | Tonnes (t) | Gold (g/t) | Gold (oz) |
|--------------|--------------------|---------------|------------------|-------------|---------------|
| Top soil | 6% | - | 101,000 | 0.40 | 1,300 (.6%) |
| Fresh | 47% | - | 730,000 | 0.70 | 16,500 (69%) |
| Oxidised | 41% | - | 602,700 | 0.26 | 5,300 (22%) |
| Basal sand | 6% | - | 97,600 | 0.25 | 800 (.3%) |
| Total | | | 1,561,300 | 0.48 | 23,900 |

Meridien Resources' Exploration Licence 6810 covers with the great majority of the surface area of the dam. A small proportion of the dam, at its south western corner, lies just within the adjoining Exploration Licence 6403 held by Burrage Copper Pty Ltd. Using the N/S boundary between the ELs at an easting of ~738,850m Meridien's proportion of the whole dam tonnage is estimated at 91%. Classified and by layer Resources within Meridien's EL portion of the dam are presented in the following tables.

| Resource class | Class % by tonnage | Cut-off (g/t) | Tonnes (t) | Gold (g/t) | Gold (oz) |
|----------------|--------------------|---------------|------------------|-------------|---------------|
| Inferred | 13% | - | 187,500 | 0.31 | 1,800 (.9%) |
| Indicated | 12% | - | 174,800 | 0.28 | 1,800 (.7%) |
| Measured | 75% | - | 1,053,100 | 0.53 | 17,600 (84%) |
| Total | | | 1,415,300 | 0.47 | 21,400 |



| Table 4 Lucky Draw Tailings Dam Gold Resources – by layer – December 2010 Within Meridien's EL 6815 portion of the dam | | | | | |
|---|-----------------------|------------------|---------------|---------------|--------------|
| Layer | Layer % by tonnage | Cut-off (g/t) | Tonnes (t) | Gold (g/t) | Gold (oz) |
| Top soil | 6% | - | 90,700 | 0.439 | 1,100 (.5%) |
| Fresh | 46% | - | 650,900 | 0.70 | 14,800 (66%) |
| Oxidised | 41% | - | 579,300 | 0.26 | 4,800 (22%) |
| Basal sand | 7% | - | 94,600 | 0.24 | 800 (.3%) |
| Total | | - | 1,415,500 | 0.47 | 21,400 |

BACKGROUND DATA & MODELLING DETAILS

The tailings deposit was computer modelled from a combination of upper and lower confining surfaces, internal geologically layered material dividing surfaces, and gold grades and densities derived from drill holes.

Dam confining surfaces: The tailings dam current upper sub-horizontal surface was modelled from a recent (August 2010) highly accurate base station corrected GPS survey. The dam lower surface (base) was modelled from a combination of historical topographical data, the original dam wall designs, and drill hole intercepts. The following figures show the upper and lower dam surfaces, in isometric views looking downwards towards the north.

Figure 1 Dam current surface

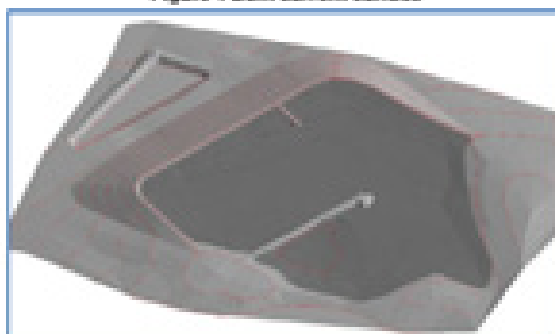
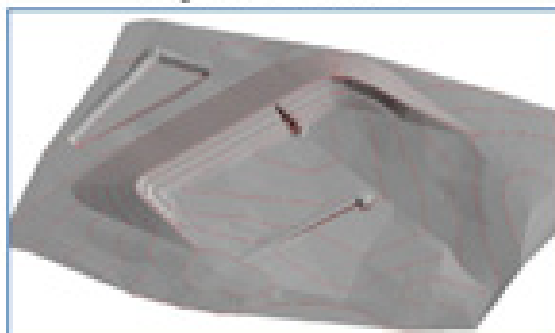




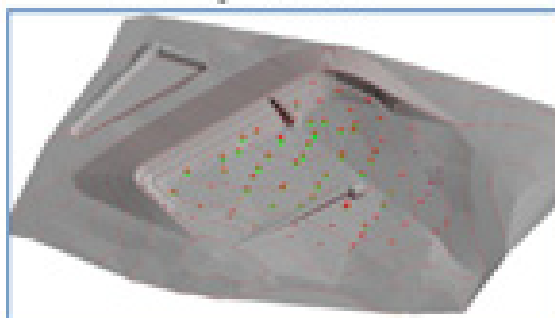
Figure 2 Dam base surface



Geological layers: Material within the dam was subdivided (for grade discrimination) into the four layers logged by geologists and marked by breaks in grades. The layers were an overlying thin topsoil (emplaced for past rehabilitation), "fresh" tailings from the old mine, "oxidised" tailings from the old mine, and a basal thin sand layer. After emplacement of a thin basal sand layer the oxide ore tailings material was the initial deposit into the dam, filling the central NNW/ESE valley, with its upper surface clearly sub-horizontal. Fresh ore tailings material was then deposited above the oxide material with its upper surface also sub-horizontal. Final rehabilitation was done via spreading a thin top soil layer across the dam.

Drill hole data: Drilling data was available from three recent campaigns (one in 2009 and two in 2010) by Meridien and an campaign (1998) by a previous operator. Drilling methods varied, with the most significant and specialised "push tube" method used in the initial 2010 campaign validating the validity of the previous methods. Hole spacing was generally even across the dam, averaging ~50m E/W and ~30m N/S. All holes were continuously sampled and assayed for gold with approximate metre by metre definition. Density data was specifically sought from the initial 2010 drilling, with over 500 determinations from evenly spaced locations across the dam. The following figure illustrates the vertical drill hole (short red/green sticks) distribution in the same isometric view as before.

Figure 3 Drill holes



Geological modelling: Geologically the principal controls on grade were the layering and grade distribution – in the upper fresh material and the lower oxide material – and thus data in the layers were segregated for subsequent analysis and grade estimation. The overlying top soil and underlying sand layers were similarly segregated as being non-ore. All layers were modeled with gridded DTM surfaces from intercepts logged and interpreted in the drill holes (except for the basal sand layer upper surface,



which was simply calculated as up to 1.0m higher than the dam base). Interpretation of the fresh and oxide divide particularly used a clear grade break between higher gold values in the fresh and lower values in the oxide, with a similar but converse trend in density. Inspection of gold grades on cross-section showed clear and strong almost horizontal continuity in both layers. All layers were thin in relation to their lateral extent. The top soil layer thickness maximum was 3.0m, the fresh layer maximum was 7.6m, and the oxide layer maximum was 11.6m. The sand layer maximum thickness was set at 1.0m. The following figures illustrate colour coded thickness of the principal layers, in plan view.

Figure 4 Fresh layer thickness contours

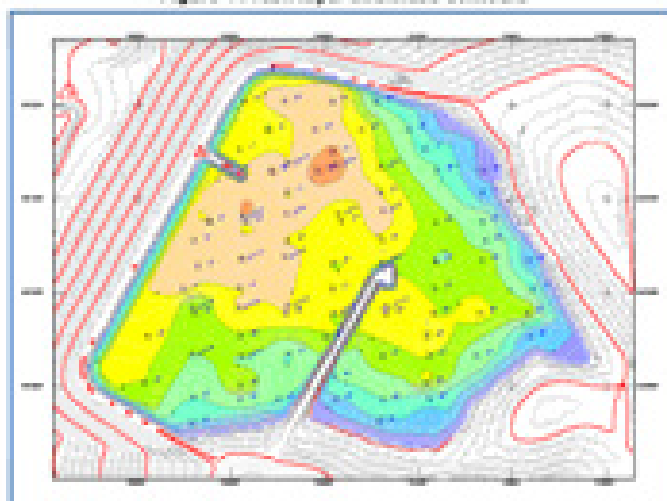
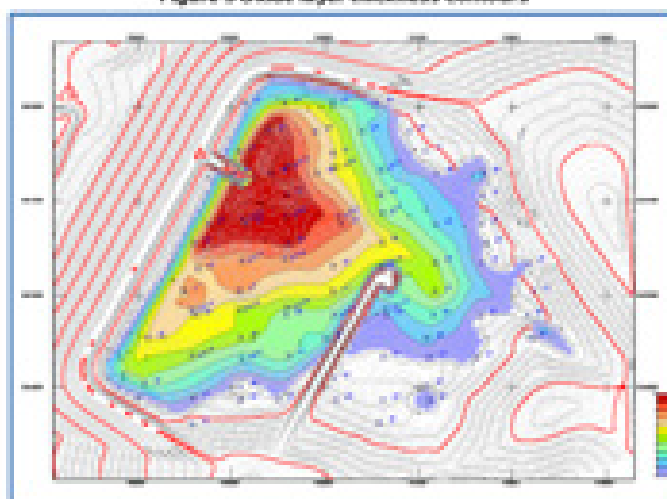


Figure 5 Oxide layer thickness contours





Statistics: Gold grades in the oxide layer averaged 0.25g/t and were consistently a tenor below those in the fresh layer where they averaged 0.63g/t. Conversely the dry density average of 1.6 in oxide material was generally consistently higher than in the average 1.2 in fresh material. Gold grades in both ore tailings layers were studied in detail geostatistically. Horizontal continuity within the layers was aided by "un-folding" direction control sub-parallel to the layer surfaces. Variography showed roughly isotropic horizontal long ranges of up to 75m in the fresh layer, and shorter ranges up to 60m in the oxide layer with a more E/W emphasis. These ranges were long in comparison to the average hole spacings. The following figures illustrate longest horizontal gold ranges in the fresh and oxide layers (fresh layer 65m range in N/S direction; oxide layer 70m range in E/W direction).

Figure 6 Fresh layer N/S variogram

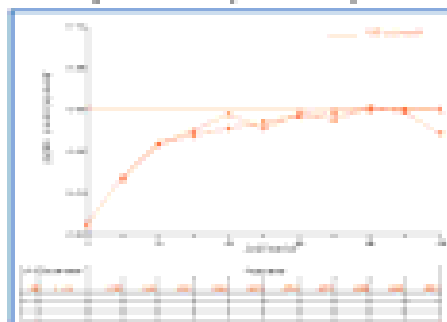
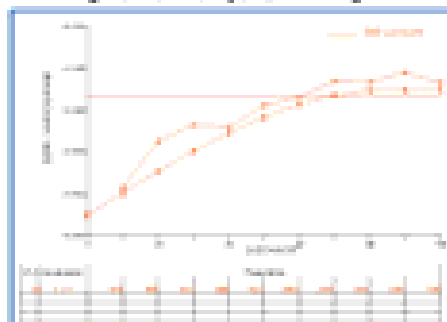


Figure 7 Oxide layer E/W variogram



Block modelling and grade estimation: A 3D block model was built within the geological layer surfaces. In plan the block sizes were 5m²5m, and vertically were reduced to 0.5m for fine sub-horizontal definition. Gold grades and density were estimated into the blocks using an inverse distance squared algorithm (ID2). A long sample scan distance was used to ensure estimation of all blocks in the dam, and strong horizontal continuity was implemented through vertical anisotropy. The following figures illustrate typical vertical cross-sections through the colour coded (reds +0.6g/t, blue low) gold grade blocks. The sections use a vertical exaggeration of 5x.



Figure 8 Cross-section N/S at 8850E

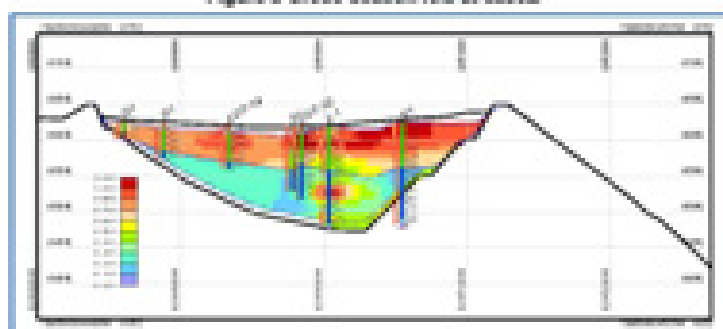
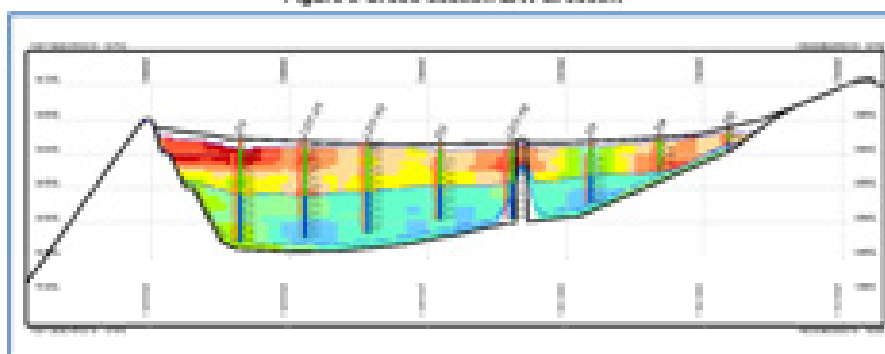


Figure 9 Cross-section E/W at 5030N



Resources and JORC classification: Gold Resources were reported from the block model by layer and as JORC classified accumulations of all layers. Tonnages were reported using densities estimated for each block. JORC classification relied on detailed reliable knowledge of the deposit (a tailings deposit with known volume, composition and source), geological interpretations possible from the drill hole logging and sampling, and the geostatistical analysis. Resource classification (into Measured, Indicated and Inferred) was applied by block and separately for the principal fresh and oxide layers – and relied on using the average sample distances calculated when estimating individual block grades. Distance classes were derived from the geostatistical analysis. The fresh layer distance classification was Measured <60m, Indicated <75m, Inferred <150m. The oxide layer distance classification was Measured <35m, Indicated <75m, Inferred <150m. The two other minor layers were classified as Inferred. The following figures illustrate colour coded JORC Resource classes (Measured in red, Indicated in green, Inferred in blue) of the principal layers, in plan view.



Figure 10 Fresh layer JORC Resource classes

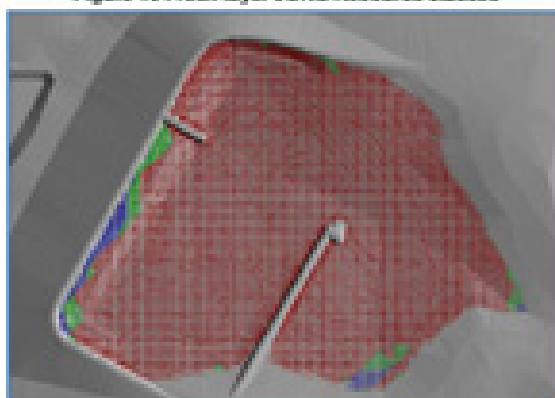
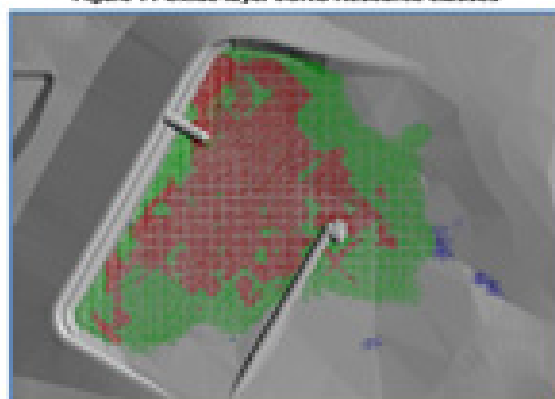


Figure 11 Oxide layer JORC Resource classes



RECONCILIATION

Reconciliation of the Resources was possible through comparison with tailings dam operating data available from the previous mining era. Reconciliation on tonnage was considered very good. Combined fresh and oxide material tonnage of 1.30Mt reported here was 5.5% lower than the previously reported 1.45Mt. The slightly conservative tonnage reported here would be expected as it was known that the actual base of the dam would be slightly lower than modelled, implying a slight under-reporting of dam volume. The density used in the old operating data is not known and therefore could not be compared with those determined here.

Reconciliation on grade was poor, with the combined fresh and oxide grade here some 26% lower than previously reported. No direct explanation of this difference is offered, as details of the past grade determinations are unknown. However the broad agreement of the assayed grades from the successive drilling programs would support the estimated grades reported here. GeoRes would contend that the careful segregation of the Fresh and Oxide layers here prevented overestimation of grade in the



(proportionally lower grade) oxide layer. This combined with a possibly greater volume of oxide material than in previous estimates (due to a lower dam base model here) would inevitably lead to a lower overall grade.

COMPETENT PERSON STATEMENT

The information in this Document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Robin Rankin, who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and registered as a Chartered Professional Geologist (CPGeo). Robin Rankin is Principal Consulting Geologist and operator of the independent geological consultancy GeoRes. He has sufficient experience which is relevant to the style of mineralization 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' (the JORC Code). He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Yours sincerely

A handwritten signature in dark ink, appearing to read "R. A. Rankin", written in a cursive style.

Robin Rankin
MSc BSc MAusIMM CPGeo

Consulting Geologist
GeoRes



APPENDIX - CONSULTANT STATEMENTS

Statements are made here by the Consultant authoring this Document to provide context to it, and to address requirements of reporting according to JORC¹ standard or in the context of Canada's National Instrument 43-101 (NI 43-101).

Statements are made in terms of:

- Consultant & consultancy – Robin Rankin, Principal Consulting Geologist for GeoRes.
- Confidentiality.
- Background – qualifications and experience.
- Professional accreditation
- Client, the Client's Project, and the Consulting Project undertaken by the Consultant.
- Competent Person statement for public reporting of Mineral Resources (JORC compliance).
- Public issue, Issuer and consent.
- Interest – of the Consultant with the Client and in the Client's Project
- Project Knowledge.
- Site inspections.
- Reliance on other experts.
- Validity and outstanding consulting fees.
- Disclaimer.

CONSULTANT & CONSULTANCY

The author of this Document, is **Mr Robin Rankin** (the Consultant), Principal Consulting Geologist and operator of geological consultancy **GeoRes**. As far as JORC statements on Mineral Resources are concerned the Consultant also constitutes the "Competent Person".

CONFIDENTIALITY

This Document is confidential. Prior written consent from GeoRes is required before it or its contents may be disclosed in any way.

BACKGROUND QUALIFICATIONS & EXPERIENCE

Robin Rankin graduated with a Bachelor of Science (BSc) degree in Geology from the University of Cape Town, South Africa, in 1980. In addition he obtained a Master of Science (MSc) degree in Mineral Production Management from the University of London (Royal School of Mines), United Kingdom, in 1988 and a Diploma of the Imperial College (DIC) from Imperial College London in 1988. He has practiced geology professionally virtually continuously since 1981.

PROFESSIONAL ACCREDITATION

Robin Rankin is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). With the AusIMM he is registered as a Chartered Professional in Geology (CPGeo). He is a "Competent Person" for the purposes of JORC and a "Qualified Person" for the purposes of Canada's NI 43-101, both due to his relevant experience and current professional affiliation.

¹ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC code, 2004 Edition JORC of AusIMM, AG & MC, December 2004



CLIENT & PROJECT

The Consultant authored this Document, and performed the background work described in it, for Meridien Resources Limited (the Client).

The Client's Project was understood to be gold Resource estimation in the old Lucky Draw gold mine tailings dam, south of Bathurst in New South Wales, Australia (the Client's Project).

The body of geological, resource estimation and reporting work undertaken by the Consultant on the Client's Project represents the consulting (the Consulting Project).

COMPETENT PERSON STATEMENT (JORC FORMAT)

In public reports concerning Mineral Resources the inclusion of a "Competent Person Statement" by the person evaluating and reporting them is required to comply with the JORC Code. The Statement asserts the competence of the person to report the Resources in terms of the standard of the Code itself, their peers (through their professional affiliations), and their experience. The format of the Statement is described in the Code, with the Competent Person to adapt it to how the Statement will appear with the report and to their employment status. Consent to public issue is further qualified by comments below.

The Competent Person Statement in this Document (above) is given in the format of and to comply with the JORC Code.

PUBLIC ISSUE, ISSUER & CONSENT

GeoRes has prepared this Document for the Client, and if it were to be publically issued the Client would be the Issuer.

GeoRes's confidentiality requires the Client to obtain written consent prior to any disclosure, including public issue. GeoRes also requires that notice of that consent be included with all public issue.

In the case of public reporting of Mineral Resources the JORC code requires the Competent Person Statement to contain consent of the Competent Person to the release of matters dealing with the Resources – in the "form and context" in which they are written. Form and context here would apply to this specific Document.

It was understood at the time of the Consultants' engagement that this Document was for public issue by the Client. Consent for its public issue is contained within the Competent Person Statement.

INTEREST

Robin Rankin and GeoRes are independent of the Client. This includes applying all of the tests in section 1.4 of NI 43-101. Similarly they are independent of the Client's Project.

PROJECT KNOWLEDGE

The Consultant had no involvement or knowledge of the Client's Project prior to his engagement by the Client in mid 2010 (the start of the Consulting Project). All recent and current specific knowledge of the Client's Project was gained directly from either the Client or through the Consultant's personal investigations into it. Up to the commencement of the Consulting Project the Consultant's knowledge would have been typical of a general geologist.



PROJECT SITE INSPECTIONS

The Consultant has not visited or inspected the physical Project site.

RELIANCE ON OTHER EXPERTS

Of all of the external sources of Project data that the Consultant (and the Competent Person) used the Consultant was of the professional opinion that it originated from personnel who either were or would have constituted Competent Persons, Qualified Persons or experts. This impression was either gained first hand or was assumed through the professional standing of the organisations they represented.

VALIDITY & OUTSTANDING CONSULTING FEES

This Document and its findings will remain invalid, and not be publically honoured by the Consultant, if consulting fees owed to GeoRes by the Client are outstanding for an unreasonable period.

DISCLAIMER

The Consultant and GeoRes disclaim responsibility for those aspects of the Consulting Project work, largely the source data, which could not be directly verified (either through duplication, practicalities, expense or time). They also disclaim liability for all actions, by persons other than the named Client, which may rely on any information in this Document.

Independent Geologist's Report

09

RME**RANGOTT MINERAL EXPLORATION PTY. LTD.****GEOLOGICAL & EXPLORATION CONSULTANTS**
(A.B.N. 36 002 636 825)TELEPHONE (02) 83 425155
FAX (02) 83 831324
MOBILE 0428 658 7613 BARRETT STREET
P.O. BOX 11411
ORANGE, NSW, 28001st December 2010.The Directors,
Meridian Resources Limited.,
Level 29, Chifley Tower
2 Chifley Square,
Sydney, NSW, 2000.

Dear Sirs,

**INDEPENDENT GEOLOGIST'S REPORT ON MERIDIEN RESOURCES'
NSW EXPLORATION PROJECTS**

In response to a request by Meridian Resources Limited, this company ("RME") has undertaken a technical assessment of the geological setting, prior exploration and current prospectivity of Meridian Resources' Lucky Draw, Mount David, Springfield and Weelah project areas, which are located in eastern and central New South Wales. The results of the assessment are presented in the following report, for inclusion in a Prospectus to be issued in the near future by your Company and to be lodged with the Australian Securities and Investment Commission. The Prospectus is for the raising of \$2.5M through an Initial Public Offering of 12.5M fully paid Ordinary Shares in Meridian Resources at 20 cents par value, under terms outlined elsewhere in this Prospectus. The Shares are to be listed on the Australian Stock Exchange.

RME and its directors and employees do not have, and have never had, any equity or commercial interest in the NSW properties held by Meridian Resources. This report was prepared on a fee-for-service basis only, and was prepared to provide technical information and guidance to persons who are considering participating in the Initial Public Offering, and should not be used for any other purpose. Although each of the properties are considered to be prospective for precious and base metals, and small gold resources have been defined within the Springfield and Lucky Draw project areas, Mount David, Springfield and Weelah are all essentially in the earlier stages of exploration and will require substantial additional exploration work in an effort to discover and prove up economically viable deposits of such metals.

The author of this report, Maxel Franz Rangott, is a graduate of the University of Sydney, and has 40 years experience in exploration for base and precious metals and industrial minerals deposits, and management of small open cut mines, in New South Wales, Victoria, South Australia and Tasmania. Seventeen of those years were spent with two listed Australian companies and in a senior position with one large multinational company. Since early 1987, he has been an independent contract and consulting geologist, working through RME, of which he is a director. He is a Fellow of the Australian Institute of Mining and Metallurgy, a Member of the Mineral Industry Consultants Association, the Australian Institute of Geoscientists and of the Society of Economic Geologists.

No site visits were carried out by the author in connection with the preparation of this report. However, during the past twenty years he supervised two drilling programmes at the Lucky Draw tailings dam, and has carried out reconnaissance work in the general area of the original Mount David project area, and several periods of detailed geological work in the Burraga district a short distance south of the project area. During that time he has also made several geological assessment visits to the Springfield Project area. Other RME geologists have also worked on exploration of the Springfield project area in recent years, for previous titleholders International Mining Corporation N.L. and Mrs. M. Philips. He also supervised some earlier exploration programmes in the Weeliwh exploration licence area.

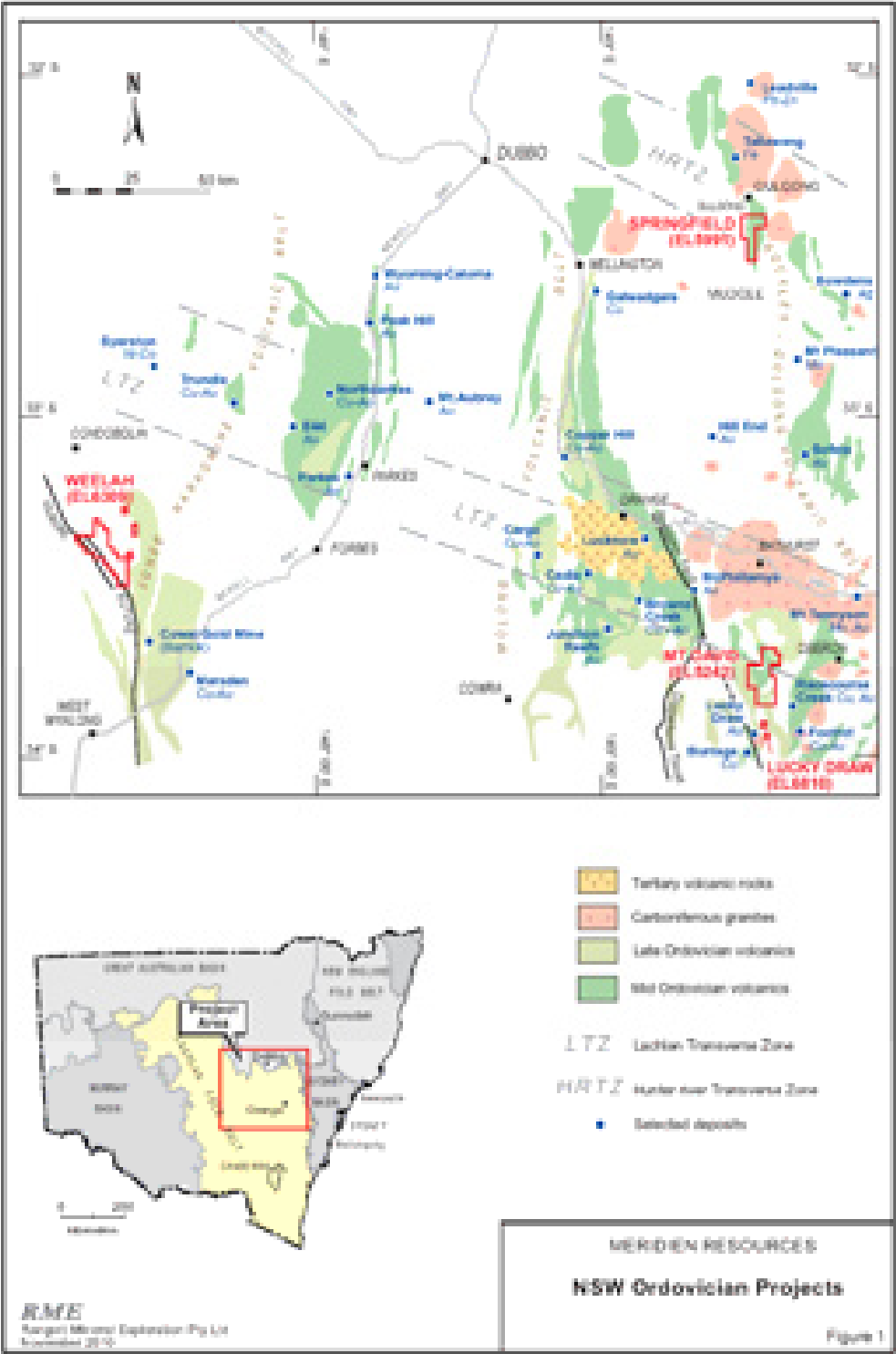
The regional geological overviews and prospect descriptions and interpretations given in this report, are based on an extensive prior exploration database held by RME, on reports and plans provided to the author by Herald Resources Ltd., Jaguar Minerals Ltd. and Augur Resources Ltd., and on a wide variety of published government and non-government reports and reviews, and technical papers released by individuals and companies, with some interpretation by the author. Where possible, the information in these sources has been checked for veracity, but it is pointed out that most geological and exploration models in Australia are subject to constant updating and review as new information is gained and concepts evolved.

RME makes no warranty as to the validity or likely continued tenure of Meridien Resources NSW titles; those matters are addressed by another consultant in the Prospectus.

Yours faithfully,



M.F. RANGOTT
DIRECTOR



1. THE LUCKY DRAW TAILINGS PROJECT

The Lucky Draw Tailings Project is located 55 kilometres south of Bathurst in eastern New South Wales (see Figures 1 and 2) and 24 kilometres south of and 7 kilometres northeast of the old mining villages of Rockley and Burruga respectively.

The dam in the repository of treated ore tailings from the Lucky Draw Gold Mine (Figure 3) which was operated by Harrison Goldfields Consolidated Limited ("HGC") between mid 1988 and August, 1991. Monthly production reconciliation records kept by HGC indicate that a total of 1.44 million dry tonnes of tailings with a weighted mean grade of 0.66g/t gold were placed in the dam.

The majority of the area of the dam is covered by Meridien Resources Ltd's Exploration Licence no. 6810, with the southwestern corner of the dam lying just within the adjoining Exploration Licence no. 6463 which is held by Burruga Copper Pty. Ltd. It is estimated that at least 90% of the volume of tailings lies within EL 6810.

The Lucky Draw orebody was an unusual skarnoid body with relatively high gold grades (3.53g/t Au) but it had a very low sulphide content. Densities of the ore were relatively high due to the abundance of iron-rich gedrite and garnets in the rock. From mid 1988 to May 1989, the mill treated mainly oxidised ore, and after that fresh (unweathered) ore. As a result, the tailings in the dam are stratified, with the lower, more westerly part of the deposit comprised dominantly of 'oxide tailings', and the upper 4.7 metres comprised of 'fresh' tailings. The two tailings types are distinguishable by colour, although mixing of the two types occurred locally during filling of the dam.

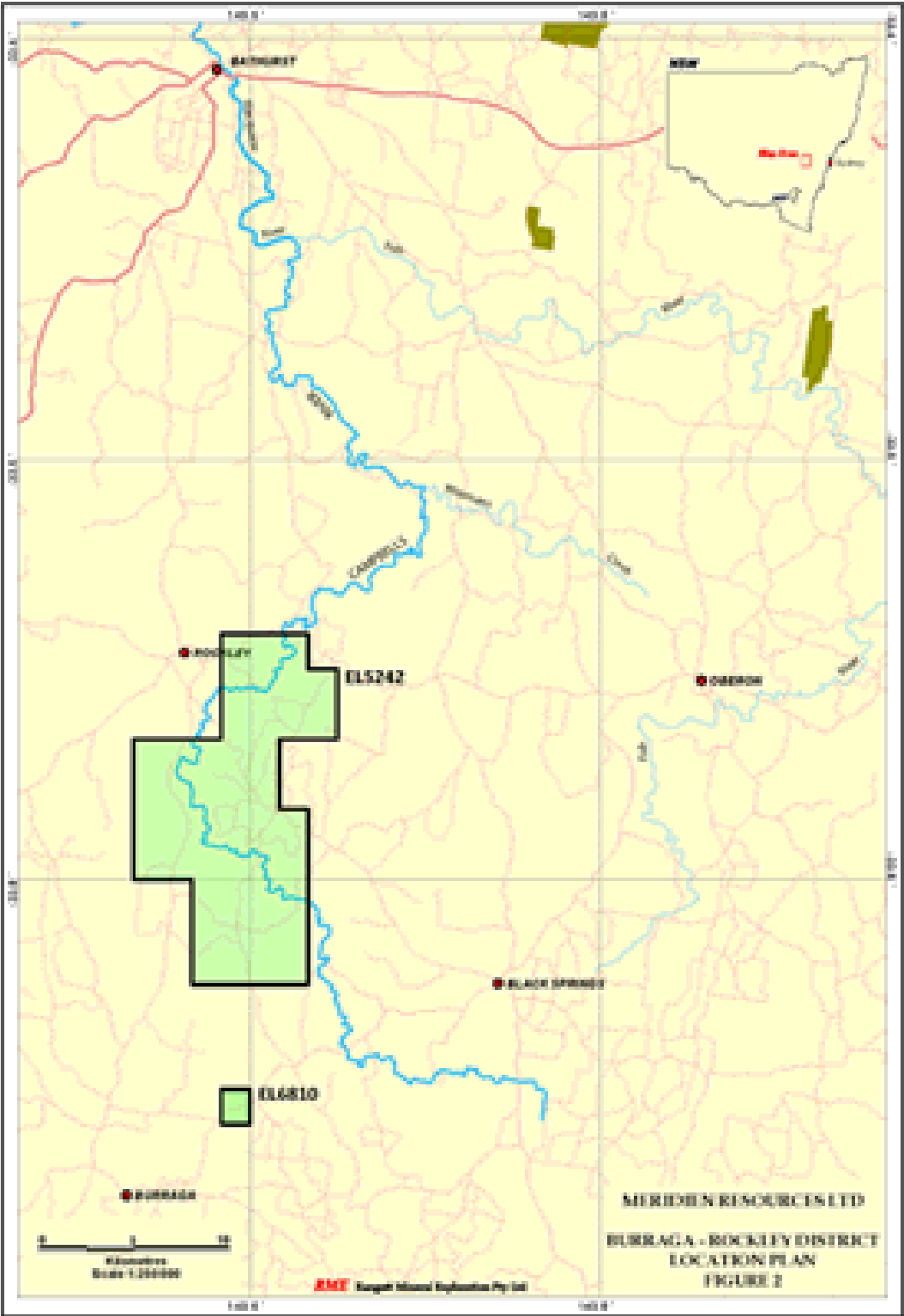
The dam was very well engineered and is in sound condition. A clay and topsoil cap 0.3-1.0 metres thick covers most of the dam, and that has been successfully revegetated with native grasses, scrub and scattered small trees. The southeastern margin of the dam is located approximately 60 metres from the sealed Campbell's River Road, which links Burruga and the town of Oberon. Mains power is available at the southern margin of the dam, and when the mine operated process water was drawn from the public Burruga Water Supply Dam (Figure 2) via a purpose-built underground steel pipeline which is in place today.

Drill Testing of the Tailings

Four campaigns of drilling have been carried out through the tailings (see Figure 4), which provided progressively closer coverage and more detailed information:-

In 1996, Alphadale Pty. Ltd. for **Werrie Gold Ltd.** drilled 17 holes (total 187 metres) using a modified push-tube system. They were unable to sample the easternmost part of the dam (where a thin layer of fresh tailings predominates) due to water inundation there. The drill returns were sampled at one metre intervals. The samples were analysed for gold by 50g charge fire assay by Australian Assay Laboratories Pty. Ltd's ("AAL's") Orange laboratory, and gold values ranged from 0.08 to 1.66-1.41ppm.

Werrie state that their calculated gold grades for the oxidised and fresh tailings were lower than those indicated by HGC's input grades. Check fire assaying of duplicate samples from 19 one metre intervals by Amdel Ltd. (prior to conducting metallurgical tests) gave an average gold value 10% higher than the average of AAL's values for those intervals.





Werrie Gold considered that with the prevailing gold price, the oxide gold tailings would not be worthwhile treating. They stated that a resource figure of 676,384 tonnes of fresh tailings at 0.88g/t gold would be present in the dam, but these figures were apparently derived from RGC's input records.

Amdel Ltd. carried out agitation cyanide leach tests on samples from two shallow (2 metres) hand auger holes drilled in to the upper levels of the dam by Alphadale in 1995. The samples from each hole were composited to one sample per hole for the testwork, and the agitation cyanide leach tests achieved a recovery of 74% of the gold within two hours, with no further gold recovered during the remainder of the 48 hour test period.

In 1996 Amdel carried out further metallurgical testwork, on samples from three of Werrie's drillholes. This work indicated that with a cyanide leach period of up to six hours, 67% of the gold could be recovered. Re-grinding of the tailings and longer residence times did not improve the recoveries.

Amdel commented that the testwork results indicated that a proportion of the gold in the hand auger samples had been dissolved out of the rock grains (by residual cyanide) and re-precipitated as a surface coating on grains during the four years it had been in the dam, and that similarly a proportion of the gold in the deeper drill samples used in their 1996 testwork, had been present in solution in the tailings.

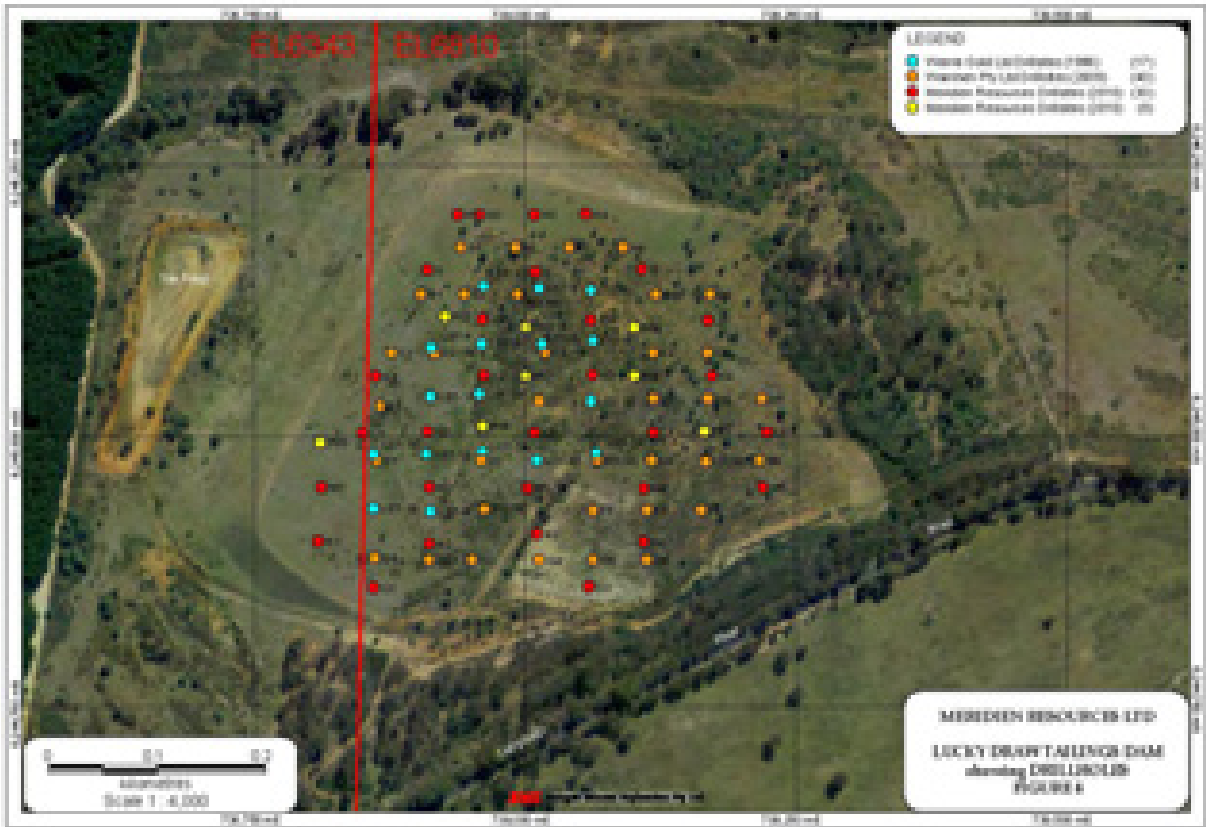
In 2009, under Exploration Licence no. 6810, **Warrinen Pty. Ltd.** drilled 35 holes in a grid pattern across the dam, using a modified aircore system on a Landcruiser-mounted drilling rig. The hole positions were designed to generally infill between Werrie's drillsites and extend to the east beyond their coverage, although five holes were positioned to (as closely as possible) twin selected Werrie holes.

The one-metre samples were analysed for gold only by 50g charge fire assay. Sample weights were variable, with many weighing less than 1kg. Gold values ranged from 0.08 to 1.30g/t. The average gold grade for all samples (fresh and oxidised) was 0.512g/t, compared to the average of 0.528g/t for all of Werrie Gold's samples.

The average gold grade for the oxide tailings was 0.26g/t, whilst the average for interpreted fresh rock tailings was 0.646g/t. When Werrie's fresh tailings samples are included, the average increased to 0.653g/t. The average gold grades for comparable intervals within the twinned holes were calculated, and the Warrinen grades came out at 68%, 77%, 93%, 119% and 129% of the Werrie grades. The twinned holes were believed to be separated by one to three metres.

Although fire assay gold values are typically quoted within a $\pm 10\%$ envelope, several of the comparative average grades exceed the 20% range. The mean difference in grades weighted by sample interval is 91%. Possible factors causing these differences are:

- (i) difficulty precisely registering the locations of Werrie's 1996 holes, and probable wide variation in gold distribution and grain size in the tail particles (the 'nugget effect').
- (ii) different assay laboratories and slightly different preparation and analytical techniques used for the two sets of samples.
- (iii) the different drilling / sampling techniques used in the two programmes.
- (iv) the different ages of the tailings when they were sampled - the tailings had been in the dam for 18 years when Warrinen's drilling was carried out, and the ongoing leaching and re-precipitation processes alluded to by Amdel may have had a significant effect.



In mid 2010, **Meridien Resources Ltd.** drilled an additional 30 holes (total 289 metres) using a sophisticated track mounted push tube drilling rig. The 47mm diameter core samples were collected over 1.2 metre intervals in a plastic inner tube and pulled to the surface with a wireline device. This is a superior technique for sampling unconsolidated and frequently wet fine-grained materials as it provides a continuous, even sample of the material for each run, even though the conditions of the material may vary; there is no risk of sample 'contamination' as the rods remain in place in the hole when the sample tube is pulled to the surface; the depths of changes in tailings type can be accurately determined (except where they are gradational); and the precise volumes of the samples allow reliable calculations of in-situ densities, which are essential for reliable tonnage and grade calculations.

The 30 holes were positioned on east-west traverses roughly mid-way between the earlier Werne Gold and Warriner traverses, resulting in a roughly 25 metre traverse spacing and 40 to 100 metre separation along the traverses, for holes drilled in the three programmes (Figure 3). Unlike previous programmes, most holes were drilled right through the 1 metre thick basal sand curtain in to weathered bedrock. Maximum hole depth was 18.3 metres. The majority of the samples (those 1kg or more in weight) were split to provide sets of assay and metallurgical samples.

Three holes (L1, M1 and N1) were drilled within Burrage Copper's EL 6463.

The 286 samples (which varied in length due to changes in the materials sampled) were analysed for gold by a 50g charge fire assay technique and for arsenic and bismuth by an ICP-AES technique. Gold values ranged from 0.065g/t to 2.26g/t over 1.2m (oxide material) and up to 2.97g/t over 0.46m in fresh material. Arsenic values were very low (maximum 7ppm) but bismuth ranged from 166 to 539ppm in the tailings.

Strongly anomalous gold values (up to 0.538g/t) were noted in many of the underlying basal sand curtain and weathered bedrock intersections. Although some of the values may be due to mixing of the tailings at the base of the dam during filling, it is likely that most is due to dissolution of gold during and after the filling of the dam, migration downwards as the tailings partly drained, and re-precipitation in the basal layers.

An additional eight holes were subsequently drilled using a conventional Landcruiser-mounted hydraulic auger rig which drilled 89mm diameter holes to a maximum depth of 12 metres. These holes were requested by the resource consultant to provide infill data. There were some issues with sample quality in the deeper, wetter areas of the tailings.

Eighty two 0.5 and 1.0 metre samples were analysed as for the push-tube samples, but with the additional of molybdenum. Gold values ranged up to 0.969g/t, arsenic to 9ppm, bismuth to 344ppm and molybdenum to 5ppm.

For the 2010 programmes, with a few notable exceptions, gold values in the oxide tailings were in the range 0.10 to 0.25g/t, whereas those in the fresh tailings were mostly in the range 0.10 to 0.80g/t. However, 27 sample intervals (9%) reported more than 1.0g/t.

Density Determinations

Prior to splitting of the push-tube samples, they were carefully weighed and dried, then reweighed, to obtain wet and dry sample weights for each individual sample length. Using the 47mm diameter of the push tube inlet (the 'drill bit'), precise volumes were calculated for each sample interval. From the weights and volumes, wet and dry densities were then calculated for each sample interval, the dry densities being required for resource calculations.

There were significant differences between the calculated densities for the oxide tailings and the fresh tailings. The dry densities for the fresh tailings generally ranged from 1.1 to 1.6g/cc (most were in the lower half of that range), whereas those for the oxide tailings generally ranged from 1.3 to 1.8g/cc.

Tailings Resources

Using the data derived from the drilling programmes, consulting resource geologist Robin Rankin conducted a detailed resource evaluation, and his report is presented elsewhere in this prospectus. The total of inferred, indicated and measured resources was calculated to be 1,561,300 tonnes at a weighted mean grade of 0.48g/t gold. This grade figure is significantly lower than previously calculated grades, but the reason for this is not clear. However, it is likely that the lower grades were strongly influenced by the results of the 2010 push-tube drilling, and that as discussed earlier, the age of the tailings and the local climate (frequent precipitation) may have reduced the grade.

Nearby Gold Resources

Small hardrock gold resources are located close to the tailings, and those could favourably affect the economics of a mill if they could be purchased for mill feed, and mined efficiently. These include the small undeveloped Hackneys Creek gold deposit located about one kilometre west of the tailings dam, and remnant ore in the walls of the Lucky Draw open cut, located 1.3 kilometres to the southwest (Figure 2).

2. MT. DAVID EXPLORATION LICENCE 5242

The Mt. David Exploration Licence no. 5242 is situated 40 kilometres south of Bathurst in eastern New South Wales (see Figures 1 and 2), in a structurally complex setting towards the eastern margin of the Hill End Trough. The licence area and its surroundings are prospective for orogenic / mesothermal gold deposits, and intrusion related gold (IRG type) deposits, including the unusual Lucky Draw skarnoid style of mineralisation.

The recent discovery of substantial gold mineralisation at McPhillamys Hill between Blayney and Bathurst has altered the perspective of key structural controls on gold mineralisation and the prospectivity of sections of the Lachlan Fold Belt. The McPhillamys deposit (at least 2.96 million ounces of gold) lies within strongly deformed sediments and acid volcanics (the Anson Formation) of the Late Silurian Murrumbidgee Group on the southwestern margin of the Hill End Trough, separated from the Late Ordovician volcanics, sediments and intrusives of the Blayney Volcanics a short distance to the west, by the major basin bounding structure known as the Godolphin Fault.

Conventional wisdom is that to the south of Blayney the continuation of the Godolphin Fault is the Copperlampra Thrust, but there are indications from geophysical and geological plans that the Godolphin Fault, at least during part of its active history, extended well to the south-southeast (see Figure 1) beyond the old copper-mining village of Burranga. In that area, the Lucky Draw gold deposit, 1.48 million tonnes at 3.53g/t, was mined by Renison Goldfields Consolidated Ltd. during the period 1988-1991.

The deposit, one of several similar ones in the Burranga district, occurred in metasomatised Ordovician sediments and mafic volcanics of the Triangle Formation and Adaminaaby Group, very close to their contact with the intruded Carboniferous age Burranga Granite. The skarn-like ore displayed a gold-bismuth-tellurium association (an intrusion-related gold signature) but had a very low content of sulphide minerals.

To the southwest of the Lucky Draw deposit, the Burraga copper deposits were mined mainly during the late 19th century. The largest producer was the Lloyds Copper Mine which produced 19 443 tonnes of copper (470 000 tonnes of ore at 3.6% Cu), from a complex quartz-carbonate-sulphide vein system located within a significant shear zone in probable Campbell's Formation rocks. The Burraga deposits are now considered to be part of a large carbonate-base metals (deep epithermal) mineralised system.

Geological Setting and Mineralisation

Bedrock within the area covered by EL 5242 is dominated by mid and late Ordovician mafic to ultramafic volcanics, volcanoclastics and metasediments, which are frequently overlain by Silurian sediments and volcanics, Devonian sediments and acid volcanics, and Tertiary river gravels and lavas. Remapping of the area by the Australian Geological Survey Organisation a number of years ago has produced the summary geology depicted in Figure 5.

Along the western and southwestern margin of the licence area, the **Triangle Formation (ekt)** of the Middle Ordovician Kenilworth Group is exposed. This formation is comprised of mafic volcanoclastic sandstone, metabasalt, slate, phyllite, schist, siliceous carbonaceous slate, chert, quartzite and sandstone. It was the host to the 170 000oz Lucky Draw gold deposit, located 7 kilometres south of the EL boundary.

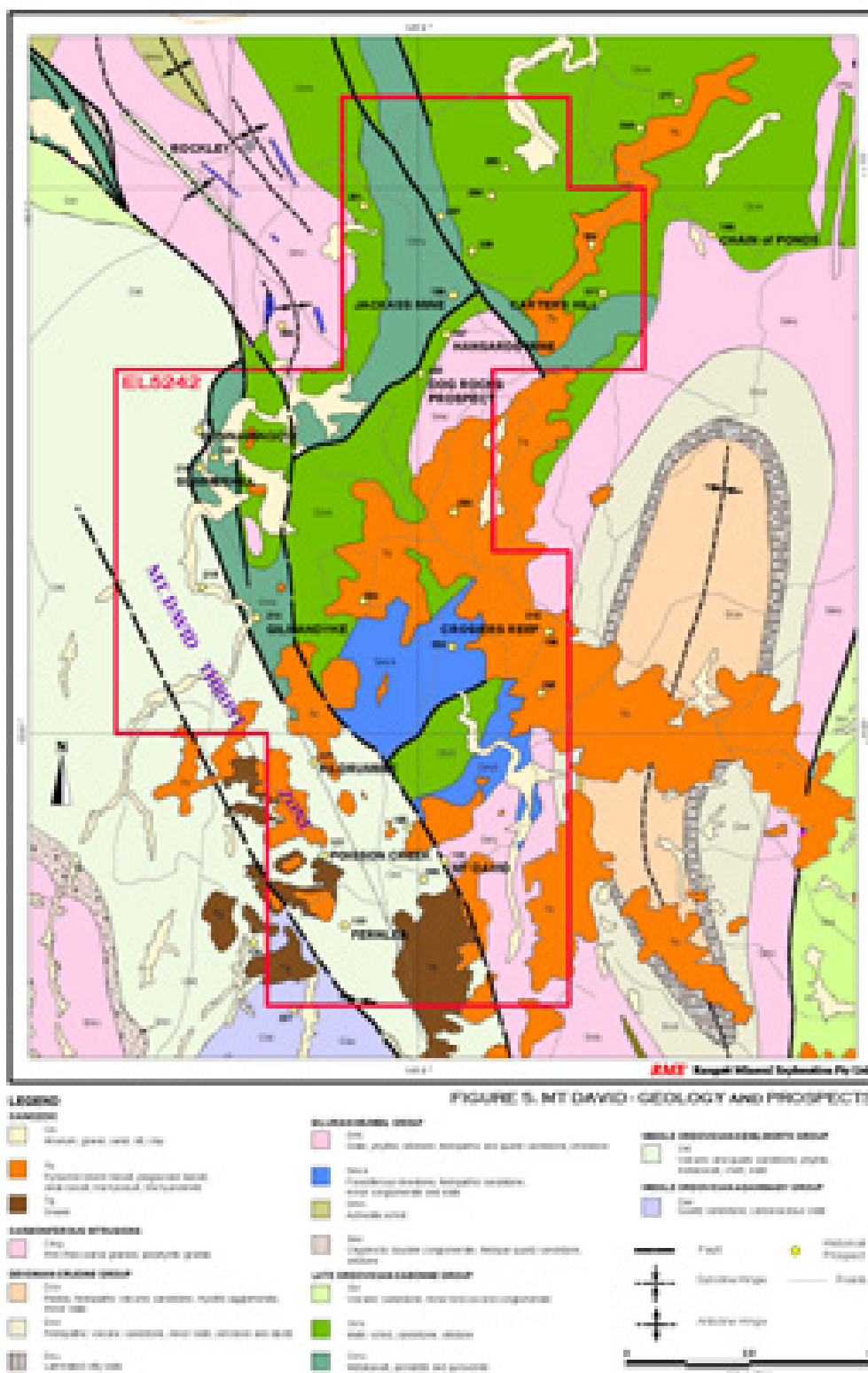
A small area in the extreme southwestern corner of the EL 5242 area is underlain by the Middle Ordovician **Adamnaby Formation (aac)**, which outcrops over very large areas further to the south of the exploration licence area. It is comprised mainly of variably deformed quartz sandstone and carbonaceous slate.

Most of the licence area is underlain by the **Rockley Volcanics**, a formation of the Late Ordovician age Cabonne Group. Regionally, the Rockley Volcanics conformably overlie the Triangle Formation, although along the western side of EL 5242, the two formations are in faulted contact. Within the licence area, two units of the Rockley Volcanics are present:

Unit #ecu is the basal unit of the broad structure known as the Rockley Syncline, the southern closure of which is present within EL 5242, and is comprised of ultramafic to mafic lavas, agglomerates and (?)tuffs. These rocks are now variably altered, and were mapped as serpentinised peridotite, tremolite-chlorite rock, talc schist, and talc-chlorite-carbonate schist. The unit is strongly magnetic (except where it has been altered), giving an intense high signature on aeromagnetic images.

Unit #ecs generally comprises the upper (younger) sections of the Rockley Volcanics, and consists of volcanic sandstone and siltstone and mafic schist (originally both proximal primary volcanics and more distal pyroclastics), and mostly shoshonitic in composition. However, strong foliation and metamorphism usually make it very difficult to distinguish proximal volcanics from distal ones in the field. These rocks are usually only weakly to moderately magnetic.

The Rockley Volcanics are unconformably overlain by the Middle to Late Silurian **Campbell's Formation (Smc)** of the Mumbil Group, and the two formations are locally in faulted contact. Typically, the formation comprises siltstones overlain by interbedded slate and fine to coarse grained felspathic metasandstone. Along the eastern margin of the licence area, the formation forms the lowermost unit of the Native Dog Syncline. An exposure of a carbonate-rich part of the formation, known as the **Kildrummie Limestone Member (Smck)**, bright blue on Figure 5) is comprised of fossiliferous limestone and marl (impure limestone). Aeromagnetic image data suggests that this member is underlain by the Rockley Volcanics #ecu unit at relatively shallow depth.



A sequence of acid volcanics (rhyolite to dacite tuffs, lavas and volcanoclastics) is exposed on the eastern side of the Mt. David Thrust Zone at the Mt. David Mine (no. 122) are not shown on Figure 2 but are believed to be the Bells Creek Volcanics, a unit of the Campbells Formation. The Campbells Formation is broadly correlatable with the Anson Formation in the Blayney-Orange district to the northwest.

A small part of the eastern extremities of the EL covers the central part of the younger Native Dog Syncline occupied by the early Devonian Crudine Group, specifically the **Dunchurch Formation** (Dcd, felspathic quartz sandstone with minor slate, ashstone and dacite), the **Buckburraga Slate** (Dcu, laminated silty slate), and (not mapped within EL 5242) the **Adderly Formation** (Dca, pebbly volcanic sandstone, rhyolitic agglomerate, minor slate). The Crudine Group conformably overlies the Campbells Formation.

A major erosional break in the sequence then took place, until the deposition of fluvialite gravels and lavas during late Tertiary times (15-22 million years ago). The lavas (Tb) are mainly basalts and basanites, and are believed to have originally covered much of the area of EL 5242, but subsequent erosion may have removed part, leaving the thicker accumulations in valleys in the Tertiary land surface.

The gravels (Tg) were deposited in valley terraces across the landscape prior to the extrusion of the lavas, which covered and protected them until they became exposed by erosion in recent times. The gravels are mostly composed of rounded pebbles of white vein quartz and grey quartzite, with minor fine gravel, sand and clay.

Trending north-northwesterly across the western side of the licence area in the eastern limb of the Rockley Anticline, a complex zone of faulting and strong deformation of the rock sequence has been interpreted from regional geological mapping and aeromagnetic data. This imbricate zone has been termed the "Mt. David Thrust Zone" and it appears to be a significant structural corridor which may have had a controlling influence on gold and base-metal mineralisation in the district. It trends parallel to the interpreted Godolphin Fault extension six kilometres to the southwest (Figure 1), and may continue a considerable distance to the southeast.

Within the licence area, a large number of mineral deposit or occurrences are known, and most have been subjected to small-scale exploitation in the past. Approximately two thirds of these are hosted by Ordovician rocks (see Figure 5).

Within the Triangle Formation, old gold workings are situated on narrow quartz veins within talc-chlorite-carbonate altered clastic sediments in the southern extremity of the licence area at the Fernlea Prospect (no. 120), and narrow quartz veins also are exposed in a similar geological setting, nearby at the Poisson Creek workings (no. 121). At deposit no. 185, minor workings opened up a quartz vein for gold and at no. 186, one pit was developed on a north-northwest trending quartz vein.

Seven kilometres to the northwest, an old shaft opened up copper showings in siltstones, tuff and andesitic lava, at the Lucky Hit Mine (no. 215). Three kilometres further north, more substantial workings at the old Bunnamagoo Mine (no. 217) opened up siliceous, pyritic copper mineralisation in metasediments (with "intrusive diorite") in what may be VHMS-style mineralisation. In the southernmost block of the licence area, the Kiltrinnie Gold Mine (no. 327) is described as a vein-style gold deposit, with associated base-metal mineralisation.

The Bcru mafic / ultramafic unit of the Rockley Volcanics also hosts a number of copper and gold workings. At deposit no. 199, the Jackass Mine, a high-grade vein of copper sulphides and carbonates produced a small amount of copper, and no. 214, the Gilmadyke Gold Mine, produced over 1,000 ounces of gold between 1985 and 1990, from what was described as a "disseminated" deposit. Three kilometres to the north-northwest, the

Summerhill Copper Mine (no. 216) produced 55 tonnes of copper from several shafts developed on veins in "altered andesite", between 1847 and 1901. The veins were aligned oblique to the strike of the andesites, indicating that they were deposited after the formation of the rocks, with a structural control.

Within the 8ers unit of the Rockley Volcanics, at deposit no. 197 (Hansard's Mine), shafts were developed on veins in andesite and serpentinite for a minor production of gold, and at no. 198 (the Chain of Ponds Mine) copper was produced from "several parallel lodes" in intermediate volcanics. At no. 277, gold and copper were reported in old workings, whilst in the general area of no. 281, small quartz veins in volcanics and metasediments carried copper and zinc (the Rockley Farm Prospect and Rangers Mine).

At no. 285, the Dogs Rocks occurrence, a deposit of "residual iron oxide" minerals developed over serpentinised ultramafics and metasediments, reportedly carried copper and gold. At Carvers Hill Gold Mine (no. 317), 232 ounces of gold was produced from quartz-base metal sulphide veins in sheared intermediate volcanics and metasediments.

At deposit no. 329, the (?)Black Mountain Mine, copper, silver and base metals were found in silicified metasediments and volcaniclastics, and a very small production was recorded in 1899. At no. 385, gold mineralisation was recorded in old reports, but no details are available.

Four deposits are recorded in Campbells Formation (**Smc**) rocks. No. 122, the Mt. David Gold Mine, was the largest producer within the licence area. Recorded production was 27,091 ounces of gold from 62,000 tonnes of ore (sulphidic felsic tuff with anomalous arsenic and antimony), with workings developed over a 366 metres northwesterly strike length and to a depth of 176 metres. The prospect is situated close to the northwest trending faulted contact between the Triangle Formation and the Campbell's Formation. At no. 316 (Crosier's Reef), quartz veins in altered siltstones (exposed in a window in Tertiary basalt cover) were exploited for a small production of gold.

One deposit, no. 393, is recorded from the Kildrummie Member (**Smck**) of the Campbells Formation. This is a residual manganese and iron oxide deposit, developed over "calcareous slates". No other information is available, but the style and location of the deposit (in a limestone belt) is intriguing.

Deposits shown in Tertiary basalt (**Tb**) covered areas (nos. 196, 290, 384, 394 and 395) all exploited alluvial gold hosted in Tertiary age gravels occurring under basalt lava flows. Recorded production figures for most of these (if they can be relied upon) were mostly low; however, the Swallows Nest Mine (no. 290) and the Main Ridge Mines (no. 384) were credited with 783 and 501 ounces of gold respectively. No production figures are available for the other deposits.

Alluvial gold deposits nos. 288 and 289 are sited in contemporary drainageways, and so could be of Recent age, but possibly reworked from Tertiary alluvium.

Prior Exploration

Exploration within the licence area has been carried out by a large number of companies and individuals, with numerous drill programmes, but almost all holes were only drilled to relatively shallow depths. The most significant exploration programmes were carried out by Gold Fields Exploration Pty. Ltd. ("GFEL") Billiton Australia / Dominion Mining Ltd., North Ltd., and Paradigm Gold Ltd.

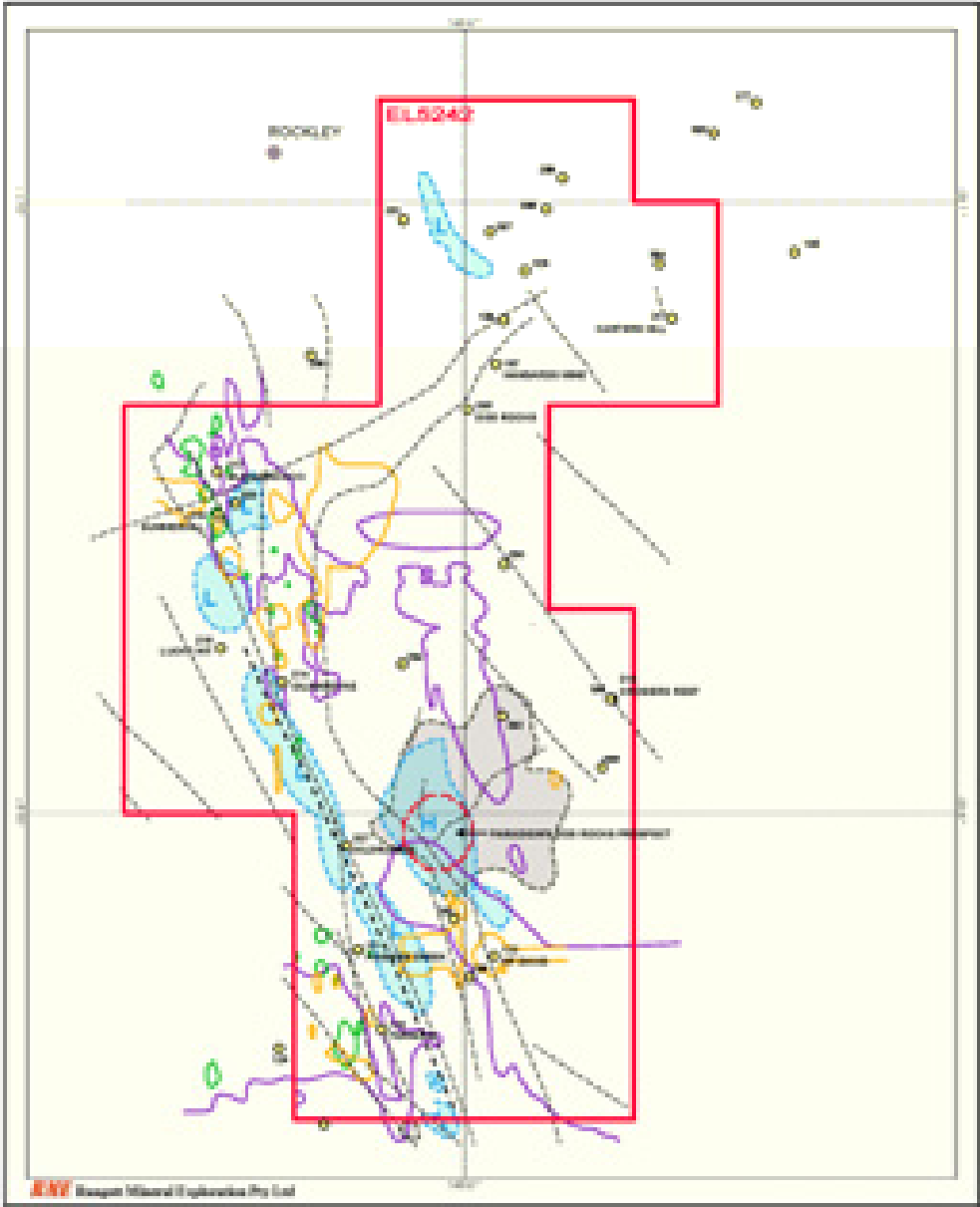


FIGURE 6. MT DAVID PROSPECT- EXPLORATION SUMMARY MAP



After the discovery of the Lucky Draw gold deposit in 1985, GFEL carried out detailed exploration including stream sediment sampling, geological mapping, rock chip sampling, airborne geophysical surveys and trenching and drilling at a number of prospects. GFEL focused their followup efforts on the Mt. David Gold Mine area, where they excavated trenches and drilled ten shallow percussion holes and five diamond cored holes. They encountered numerous problems with the drilling, commonly with poor sample recovery. Their best intersections were 16.0 metres at 0.81g/t gold and 1.57 metres at 2.68g/t gold.

At Crosser's Reef (no. 316), five reverse-circulation percussion holes gave a best intersection of 4 metres @ 3.45g/t gold, and this was not followed up. At the Carters Hill Gold Mine (no. 317) they obtained spotty gold values up to 15g/t from rock chip samples, and the quartz-calcite-siderite-base metal sulphide veins seen there have strong similarities to those in the very high-grade Lucknow deposits near Orange. However, they did not carry out any drilling at the prospect. GFEL recorded garnet-rich volcanic rocks, which possibly represent Lucky Draw type alteration assemblages, at a number of sites near Bunnamagoo and Gilmardyke.

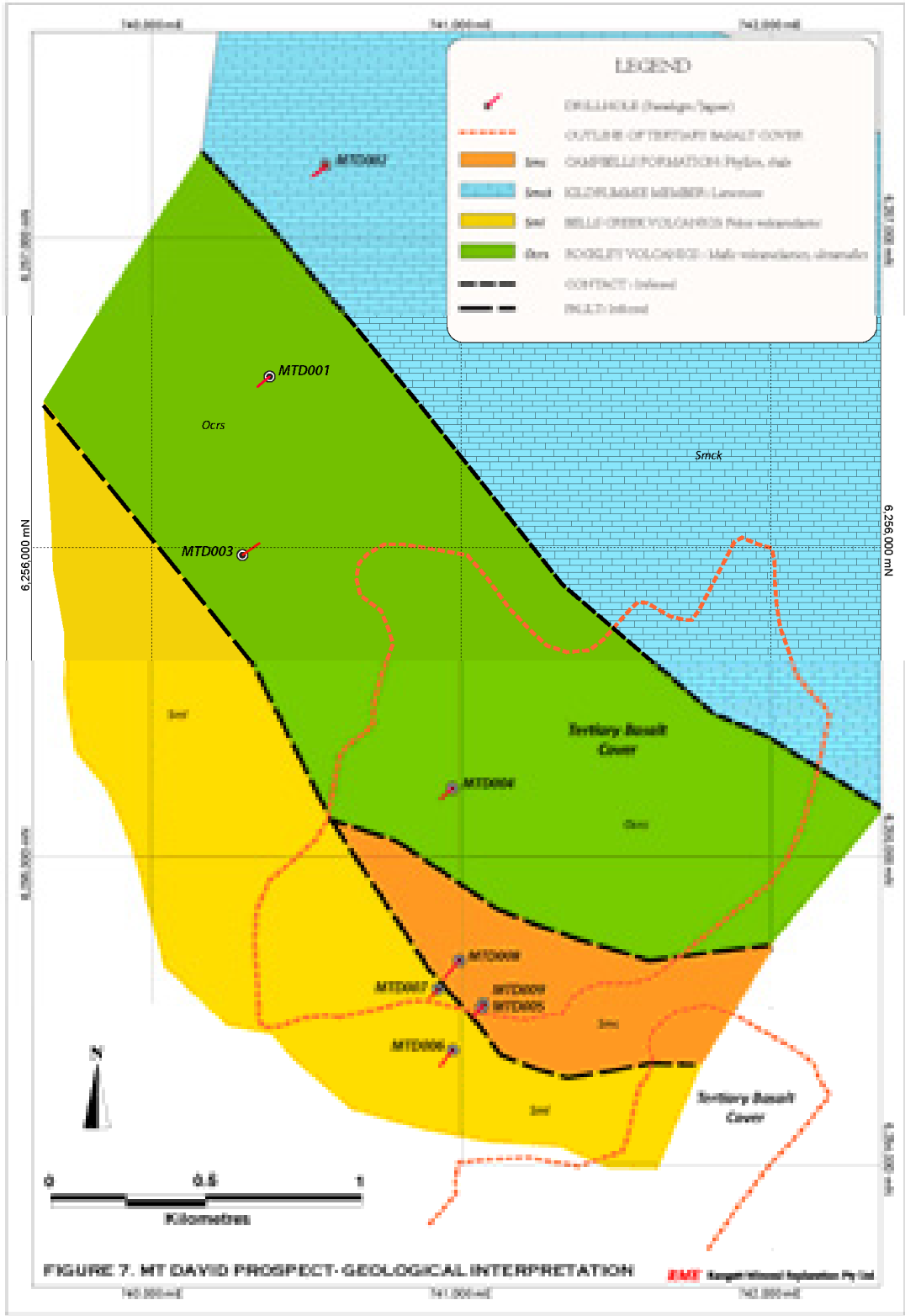
Billiton Australia drilled ten shallow RAB and percussion holes at the Mt. David Mine, but encountered similar sampling problems to GFEL. Within the imbricate structural zone, their surface geochemical sampling obtained some weakly anomalous arsenic values at the Burrows Prospect (no. 221, part of the Fernlea Prospect) and two reverse circulation percussion holes drilled in to weathered Triangle Formation rocks gave a best intersection of 2 metres at 0.18g/t gold. At the Bushy Park prospect (no. 124), their soil sampling over an aeromagnetic low gave anomalous gold (to 0.58ppm) and arsenic (to 161ppm), but they concluded that the gold values were probably derived from Tertiary age alluvial gravels mapped in the area.

Dominion Mining farmed in to Billiton's exploration licence and carried out stream sediment and soil sampling programmes in the search for Lucky Draw style mineralisation. At three prospects, Fernlea, Poisson Creek, and the Gilmardyke Mine area, they carried out soil sampling and obtained local anomalous gold values, some with elevated arsenic and antimony values. The most interesting of these were obtained over Triangle Formation rocks (a ~200m long zone peaking at 39ppb gold) and Rockley Volcanics (maximum 83ppb gold, with elevated arsenic and antimony).

North Ltd. carried out several programmes of aircore geochemical drilling on Michelago's original exploration licence no. 5242, and southeast of the Fernlea prospect they outlined a 1000 x 100-400 metres zone of weakly anomalous gold values (up to 341ppb) in weathered bedrock, which was not closed off to the north. They also carried out limited drilling around the Bunnamagoo Mine without success, and undertook soil sampling to the north of the mine, outlining a weak copper anomaly. No further work was carried out.

Herald Resources Ltd. farmed in to Michelago's EL and within the current licence area they carried out detailed grid-based soil sampling in several areas. Along the western side of the licence area (and largely coincident with the imbricate zone) they obtained anomalous gold and copper values (see Figure 6). Herald subsequently moved to 100% ownership of the licence.

In 2004, Herald floated off their NSW titles, including EL 5242, in a subsidiary company, Jaguar Minerals Ltd. Jaguar carried out preliminary geological mapping, then entered in to a joint venture arrangement with the ASX-listed Paradigm Gold Ltd. Paradigm undertook soil and power auger geochemical sampling around the Mt. David Gold Mine, and Induced Polarisation ("IP") ground geophysical surveys over the Dog Rocks Prospect (a significant magnetic high anomaly with a blind source), at the Mt. David Gold Mine, and in the Mt. Lawson area just south of the Summerhill Mine. Strong chargeability anomalies were obtained over the Dog Rocks magnetic anomaly and in the Mt. David Mine area.



Paradigm drilled nine reverse circulation percussion holes to test targets at Dog Rocks and Mount David (shown on Figure 7): four holes (MTD001-004) to test IP and magnetic anomalies at Dog Rocks, and five holes (MTD005-009) to test the mineralised fault structure at Mt. David. MTD004, targeted on a prominent magnetic high, failed to penetrate below the Tertiary basalt cover, so did not reach the target. Holes MTD001, 002 and 003 passed through the Silurian sedimentary sequence and in to underlying Ordovician mafic and ultramafic rocks, cut by rare acid dykes. Hole MTD003 included a cored tail, which was terminated at 216.2 metres depth in magnetite bearing ultramafic rocks.

In all three holes, disseminated fine-grained sulphides (mainly pyrrhotite, with some chalcopyrite and sphalerite), were intersected in both the Silurian and Ordovician sequences. As the percentage of sulphides is quite low, it is not clear that the source of the IP anomaly was identified. The source of the magnetic anomaly is likely to be ultramafic rocks intersected in the underlying Ordovician sequence, but no definitive magnetic susceptibility data is available to validate this conclusion. Importantly, however, detailed petrographic work by Dr. Doug Mason confirmed that strong potassic and local propylitic alteration has affected both sequences. These alteration assemblages are typical of mineralised porphyry systems, although only very low grade base-metal values were obtained. The alteration system would be younger than the upper (Silurian) host rocks, and it is considered likely that it is associated with an underlying body of Carboniferous age granite.

Holes MTD005-009, drilled just to the north of the Mt. David Mine, tested the Mt. David fault, a 12 metres+ wide zone of strongly sericite-altered acid volcanic and sediments, with quartz-carbonate ± pyrite veins. Epithermal textures were noted in some veins.

Three holes did not reach the mineralised zone due to lack of structural information and drilling problems, and two holes passed through old mine workings, with strongly anomalous gold values obtained in the wall-rocks on each side of the mined-out lode.

The best intersections were obtained in hole MTD005, which were 2 metres at 2.3g/t gold and 2 metres at 1.7g/t gold, on each side of an old stope.

Subsequent work by Jaguar Minerals included a structural interpretation from government geological and geophysical data, a review of geochemical data generated by previous explorers and successful completion of an arbitration process with a landowner to the north of the Mt. David Mine, for access to his property.

The structural review resulted in a pattern of northwest-trending "structural breaks" (faults) associated with the Mt. David imbricate zone (which Jaguar interpret as a thrust fault system) and east-northeast trending transverse faults. These interpreted structures are shown on Figure 6.

The geochemical review focused on Herald Resources' soil geochemical data, and highlighted a number of extensive gold, arsenic and copper anomalies (see Figure 6). The gold geochemical anomalies are many of the anomalous copper zones lie within the imbricate zone, or at and close to the intersection of the imbricate zone and the substantial transverse structure in the north of the licence area.

The Herald soil sampling was wide-spaced (at 40 metre intervals on traverses spaced 200 metres apart) and extensive infill sampling is warranted to delineate more strongly anomalous zones.

Prospectivity and Proposed Exploration

At the **Dog Rocks Prospect**, Paradigm's drilling showed that a large and locally intense porphyry style alteration system is present, but only low metal values were obtained. The prospect warrants drilling to greater depths, but this would be a project for a larger company. However, it is likely that the buried intrusive was the driver of the (?)epithermal gold mineralisation at the Mt. David Gold Mine, and other occurrences in the vicinity.

Paradigm's drilling at the **Mt. David Gold Mine** showed that the mineralised fault system extends some distance to the northwest, but the existence of thick Tertiary Basalt cover (with local sticky interflow peat beds) would make locating and testing the structure in that direction difficult and expensive. However, very limited exploration has been carried out along the structure to the southeast of the old mine. It is recommended that initially, geological assessment and limited soil and rock chip sampling be carried out in that direction.

Geological assessment and rock chip and limited soil sampling is also recommended at the following prospects during 2011, to determine the style, setting and potential of the occurrences, and to rank them:

- Gilmandyke Gold Mine (214) - this was a modest historic gold producer but the mineralisation was reported to be disseminated, offering some potential for large low-grade mineralisation.
- Crosiers Reef (316) - small production from quartz veins in altered siltstone.
- Carters Hill (317) - small production from quartz - base metal sulphide veins in sheared intermediate volcanics and sediments (in particular, check for McPhillamys, Lucknow and Mt. David styles of mineralisation).
- Dog Rocks occurrence (285) - not to be confused with Paradigm's Dog Rocks Prospect). A deposit of residual iron oxide minerals developed over serpentinised ultramafics and metasediments reportedly carried copper and gold. In particular the deposit should be checked for underlying Lucky Draw and listwanite styles of gold mineralisation.
- Deposit 393 manganese deposit - in particular, determine if primary hydrothermal alteration of the carbonate rocks is present, and its style, e.g. skarn-style or epithermal mineralisation.
- Bushy Park (124), just west of EL 5242 - Billiton's soil sampling gave up to 0.58g/t gold and 161ppm arsenic, but they concluded that the gold, at least, was derived from remnant Tertiary alluvial gravels. The site should be checked for alteration and mineralisation in the Triangle Formation bedrock, and if present, possible extensions in to the area of EL 5242.
- Attempt to relocate and assess garnet-rich rocks reported in the Gilmandyke area.

Follow up and infill soil sampling: confirmatory and close-spaced soil sampling is warranted (Figure 6) over areas to the east and west of the Summerhill Copper Mine (216), north of the Gilmandyke Gold Mine (214), west of the Mt. David Gold Mine (122), and in the Femlea - Poisson Creek area, in progressive stages of infill sampling. Geological assessment should be carried out concurrently.

Proposed Budget

It is considered that the \$100,000 per annum budget allocated for years 1 and 2 by Meridien Resources will be appropriate and adequate for this work.

3. SPRINGFIELD EXPLORATION LICENCE No. 5991

The Springfield project area is held under Exploration Licence no. 5991, which is centred 12 kilometres south southeast of the historic mining town of Gulgong (see Figure 1), and 14 kilometres north-northwest of the regional centre of Mudgee. EL 5991 was granted to Herald Resources Ltd. on 12th September, 2002, and it was acquired by Jaguar Minerals Ltd. in December, 2003. The licence area is comprised of 24 graticular units (approximately 70 square kilometres).

Early in 2010 Meridien Resources Ltd. negotiated a farmin agreement with respect to EL 5991, with Jaguar Minerals Ltd.

Geological Setting and Mineralisation

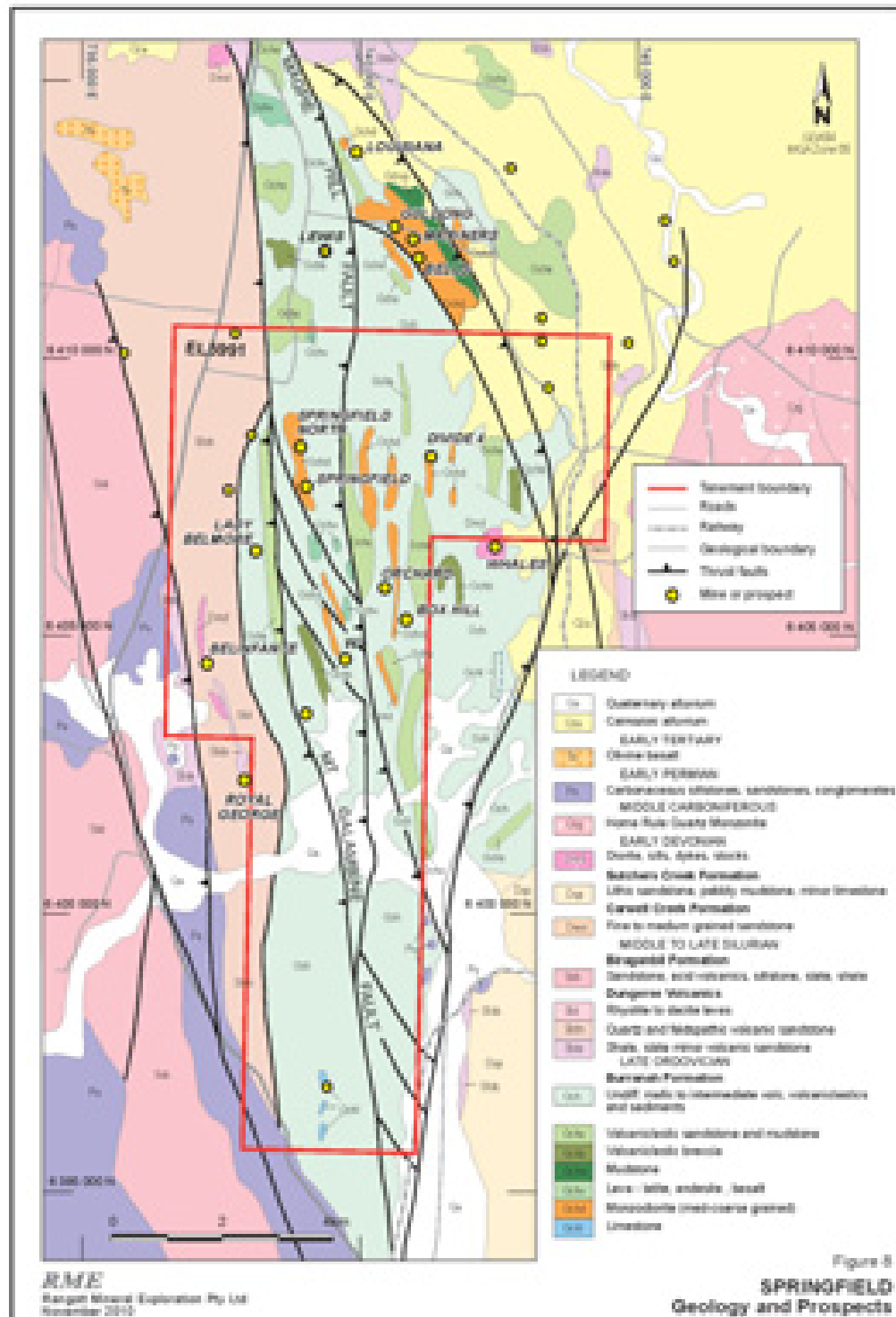
Bedrock within the boundaries of EL 5991 is dominated by late Ordovician mafic volcanics, volcanoclastics, sediments and intrusives, and Silurian acid volcanics and sediments, with subordinate Devonian sediments and intrusives, Permian cover sediments, and Tertiary to Recent alluvium.

The Ordovician rocks are part of the north-easternmost exposure of the Macquarie Volcanic Arc (see Figure 3), whereas the Silurian sequences include parts of both the Capertee High (a platform sequence of shallow marine to shoreline sediments and volcanics draped on the MVA) and the Hill End Trough rift zone (marine sediments and volcanics). The Devonian rocks are interpreted as marginal platform sediments. The Permian sediments are associated with the initial opening of the Sydney Basin rift.

Bedrock in the licence area was subjected to a major deformation event during the early Devonian, resulting in development of a set of stacked, west-dipping thrust slices and linking faults, such that the area now occupied by EL 5991 has been termed the Cooyal Thrust Sheet.

The MVA within the licence area is represented by the Burranah Formation (6ch) of the late Ordovician Cabonne Group. The formation is comprised mainly of mafic volcanoclastics, with local primary mafic volcanics and lavas, intrusives, and minor distal (fine-grained) sediments and downslope-transported pods of limestone. Most of the rocks are strongly potassic, and they are regarded as typical Cabonne Group shoshonites.

The Burranah rocks give a characteristic red (potassic) signature on radiometric images, whereas their magnetic response is subdued. Interpretation of aeromagnetic and structural data has resulted in subdivision of the formation into two main magnetic packages - a lower package of vent to near-vent lavas and agglomerates with a moderate to high magnetic signature, and an upper package of volcanic sandstones, intrusions and distal sediments which is generally weakly magnetic.



Within the licence area (see Figure 9), six units of the Burranah Formation have been mapped:

- 8chs - volcanoclastic sandstone and mudstone.
- 8chb - volcanoclastic breccia.
- 8chm - mudstone
- 8chv - latite, andesite, and basalt (lavas).
- 8chd - medium to coarse-grained monzodiorite (intrusives).
- 8chl - limestone (transported blocks).

Medium to coarse-grained intrusions of monzodiorite and monzonite to syenite (8chd) are relatively common with the Burranah Formation. The intrusive bodies range up to 3 kilometres in length by 600 to 700 metres wide, and are elongate parallel to the strike of the country rock. They are compositionally similar to the volcanics and are interpreted to be comagmatic.

To the east and west of the Burranah Formation, the late Silurian Dungee Volcanics (8td) of the Tannakuta Group are the remnants of a former platform sequence which was developed over the MVA. These are comprised of rhyolite to dacite lavas, and rare latite to trachyte lavas. As well, individual units mapped within the licence area include 8tdn, quartz and felspathic volcanic sandstone and minor shale, which predominates; 8tds, shale, slate and minor volcanic sandstone; and 8tdl, limestone and limestone breccia.

Further west, the late Silurian Biraganbil Formation (8Sb), which is part of the Chesleigh Group, represents the eastern margin of the Hill End Trough.

From the early Devonian, sedimentation on the Capertee High continued, with shallow marine to sub-aerial deposition of the Carwell Creek Formation (Dacs) of the Kandos Group (fine to medium-grained and locally kaolinitic sandstone).

Towards the end of the early Devonian, the Queens Pinch Group (Dq) was deposited along the western slopes and base of the slope of the Capertee High.

During the early Devonian, a number of small bodies of diorite (Dm, Dmd) were intruded into the sequence. During the late Middle Devonian the 'Labradorian Orogeny' terminated deposition in the region and caused uplift, folding and faulting of all the strata deposited prior to that event.

During the early Carboniferous, a major phase of deformation (associated with the subduction of the New England Plate to the northeast) took place, with some metamorphism of the rocks, and the resultant conversion of this part of the Lachlan Fold Belt into a stable craton. This event is known as the Kanimblan Orogeny, and it caused most of the strong folding and faulting now evident in the Capertee High, the Hill End Trough and the Cooyal Thrust Sheet. Most of the structurally-controlled gold deposits in the Hill End-Sofala and Mudgee-Gulgong areas are believed to have been formed during this event.

The Middle Carboniferous saw the intrusion of three granitic plutons, the Gulgong Granite, the Ulan Granite and the Home Rule Granite (Crg), a quartz monzonite. All three granites are discordant, unfoliated post-deformation I-type, biotite granites which were intruded at high crustal levels.

During the early Tertiary period (66 - 35 million years ago), the eastern Lachlan Fold Belt was subjected to some uplifting, and the coincident onset of a very wet climate resulted in the extensive deposits of valley fill gravels, sands and lacustrine clays in the previously eroded valley systems. In the Springfield area, these include numerous alluvial 'deep lead' gold deposits in Tertiary palaeochannels.

By the mid-Tertiary the climate became drier, the streams less energetic, and the deposits less prolific. The onset of drier conditions coincided with a period of intra plate volcanism (from approximately 38 to 10 million years ago), with the extrusion of basalt lavas over broad areas. In many cases, the basalt flows (Tb) cap the early Tertiary deep leads.

The early Tertiary leads carried significant gold, and as many of the leads have their headwaters in the Burranah Formation terrain (see Figure 4), it is probable that most of the alluvial gold was derived from concentrations in the late Ordovician rocks.

Between 1870 and 1927 the Gulgong Gold Field produced an estimated 1 million ounces of gold (the official recorded production was 555,000 ounces). It was the alluvial deep lead deposits that supplied most of the gold production. A total of fourteen significant primary (bedrock-hosted) gold occurrences are known in the Mudgee-Gulgong district, however, very little production information is available for these. Nine of these occurrences lie in the Burranah Formation, two within the Dungere Volcanics and three within Early Devonian diorite intrusions.

Within the area of EL 5991, known mineral deposits include alluvial gold leads and hardrock (reef and disseminated) gold + copper deposits. The locations of the various deposits are shown on Figure 8.

A number of the gold-productive alluvial leads lie partly with the licence area, and the known heads of most of them also fall within the EL 5991 boundaries. These include the Magpie, Springfield Gully, Rapps Gully and Fords Creek Leads in the northwestern sector of the area, and the Canadian group of leads in the northeastern sector.

The Canadian group was collectively one of the major producers of the Gulgong Gold Field. The upper sections of this group of leads lie within an broad embayment or depression in the pre-Tertiary and present day land surfaces, which has been in-filled with early to late Tertiary to Recent sediments.

The genesis of this embayment is not clear, but it may have significant implications for the future search for the source of the alluvial gold mined from the leads in the embayment. The embayment may have developed by preferential erosion of hydrothermally altered bedrock.

Numerous very old mining reports and some more recent summaries refer to the abundance of limestone in the "slaty" bedrock forming the base of the old alluvial channels of the Canadian Lead, and of the large boulders of limestone in the wash. Boulderly limestone subcrops (and major limestone boulders) resulted in the tortuous channel course, and large caves were also reported in the limestone bedrock. In the cavernous sections, the alluvial gravels frequently carried significant gold over substantial vertical intervals, but they were also often significant aquifers.

The presence of alluvial gold in irregular potholes and caverns, fine gold locked up in puggy clay, the twisting nature of the main channel, and frequent high water inflows made delineation and mining of the alluvials very difficult, and for various reasons, extraction was incomplete over lengths of the channel system. As a result, the total gold inventory for those leads is unknown.

Possible hardrock gold sources can be identified for the gold in a number of the leads within the licence area – the Springfield gold prospect for the Springfield Lead, an area of altered Burranah Formation rocks at Springfield North as one source for the Magpie Lead, and the Belmore Reef for the Rapps Gully Lead. No obvious sources have been identified for the Fords Creek and Canadian groups of Leads. Limestone bedrock is evidently widespread beneath the Canadian group and other leads to the north. A large amount of alluvial gold appears to have been derived from the vicinity of the Canadian Lead, and given the presence of the Home Rule Granite only 2.3 kilometres to the southeast, low temperature hydrothermal replacement of carbonate horizons, or epithermal or mesothermal veining within the limestone, are possible sources of the gold. Unfortunately, the old records provide no technical descriptions of the nature of the limestone bedrock. However, the carbonate bedrock constitutes a worthwhile exploration target.

The most significant known hardrock gold deposit in the Gulgong region is the Springfield deposit.

The deposit lies within the Burranah Formation, and is located about 10 kilometres south of Gulgong, adjacent to the upper reaches of the historic Springfield deep lead. There are no production records available for the deposit, but like most of the primary deposits in the district, production was probably from a small tonnage of ore with high grades.

At the surface, the Springfield deposit is expressed as a series of collapsed shafts located on two north-northwesterly trending parallel quartz veins about 50 metres apart. The quartz veins have a thickness of about 30cm and are located within a north-south elongate monzonite-syenite intrusive (dyke), which varies from 75 to at least 105 metres wide. The monzonite intrudes crystal lithic turfs and volcanoclastic siltstones. Brecciation and shearing are locally developed along the western contact. The eastern contact of the intrusive is obscured by alluvium.

Alteration is variable throughout the deposit but is generally propylitic (chlorite, albite, epidote and carbonate) to phyllic (sericite) and mostly confined to the monzonite (see photograph below). Arsenopyrite and pyrite are the dominant sulphides with minor chalcopyrite and sphalerite. Near-surface alteration in the eastern or footwall side of the intrusive is more intense than in the western or hangingwall side which is largely unaltered. The density of quartz veining also increases towards the east and becomes a stockwork system on the footwall side.

Fine gold occurs as coatings on arsenopyrite which, in many cases, surrounds the pyrite. Gold also occurs in solid solution or as free gold within the pyrite or arsenopyrite. The sulphides and gold occur in stockwork veinlets and disseminations in the altered monzonite / syenite.

Drilling of the deposit by Newcrest Mining Ltd. and Millie Phillips indicates that the intrusive body is west-dipping (see Figure 9).

To date, 144 holes have been drilled in to the Springfield and Springfield North prospects by Endeavour Resources, IMC, Sabminco, Newcrest and Millie Phillips, for a total of 5,759 metres (average depth = 40 metres per hole). The deepest hole (DDH MPS-1A) was 249.1 metres in length.

The Springfield deposit is located within a zone of higher strain between the Mount Galambine Fault and the Magpie Hill Fault. These faults bound a north-south trending zone up to 1.5 kilometres wide that has been subjected to dextral strike-slip deformation.

The character of the mineralisation of the Springfield deposit is consistent with mesothermal vein-style mineralisation controlled by brittle deformation of a structurally competent body, i.e. the monzonite-syenite intrusive.



SPRINGFIELD PROSPECT - view to southwest of rig drilling DDH MPS-1A, January, 1999. Old mullock dump at shaft to right. The monzonitic dyke lies beneath the centre of the valley, trending from left to right.



DDH MPS-1A - 114.8m strongly silicified, bleached and mineralised syenite (with arsenopyrite flecks) and veins of coarsely crystalline pyrite. From an interval which assayed 2.20ppm Au.

A resource estimate for the Springfield deposit was prepared by Herald Resources in 2003. At a 1.0g/t Au lower cut off, the calculated Inferred Resource was 1.05 million tonnes at 1.4g/t Au for 47,000 ounces of gold, whilst at a 0.5g/t Au cut off, the calculated Inferred Resource was 2.636 million tonnes at 1.00g/t Au for 85,000 ounces of gold.

Herald noted that the deposit was not closed off at its northern and southern ends, providing scope to increase the resource tonnage, and that many of the shallow intersections are incomplete (i.e. ended in mineralisation), giving scope to increase the overall grade through using a more powerful drilling rig to provide complete intersections.

Prior Exploration

Prior to the granting of EL 5991, exploration was carried out on eleven exploration licences which covered the same general area as EL 5991. The most significant programmes were carried out by Base Mines / Endeavour Resources (ELs 1391 and 1435), International Mining Corporation / Sabminco / Newmont (EL 2893) and Mrs Millie Phillips (EL 5272).

Endeavour's work targeted volcanogenic base metal deposits, and they carried out IP surveying at the Orchard prospect, and drilling at the Springfield, Orchard and Whales prospects. At Springfield they obtained best intersections of 4 metres at 2.25g/t gold in one cored hole, and 1.5 metres at 4.78g/t gold in the second cored hole drilled in to the dyke. They also carried out extensive petrographic work during their geological mapping, which identified probable epithermal veining at the Orchard and Whales prospects.

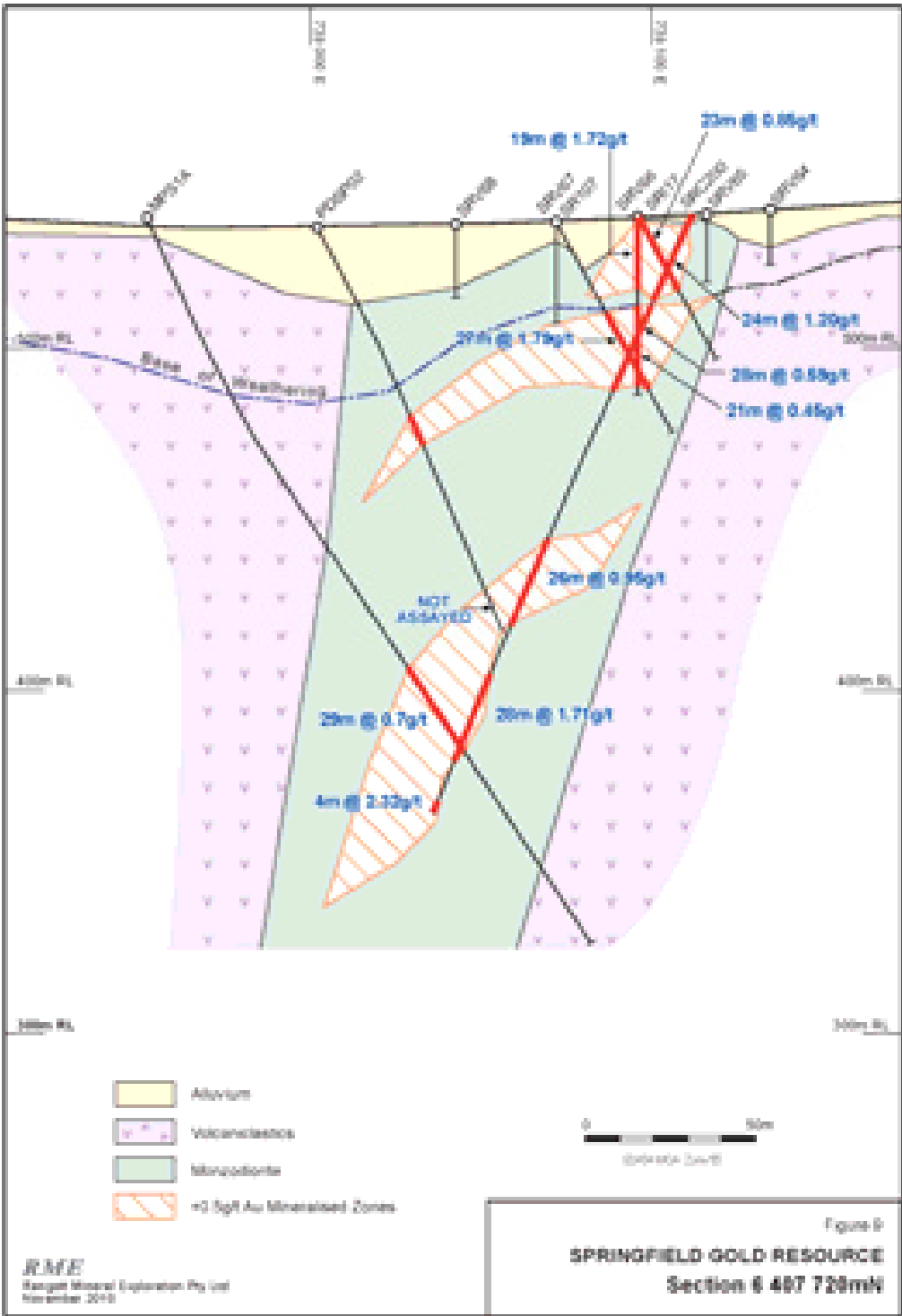
In 1988, International Mining Corporation ('IMC'), controlled by Mrs Millie Phillips, commenced exploration work then entered in to a joint venture with Sabminco N.L., to explore the licence area. Sabminco undertook a regional programme including stream sediment sampling which identified a number of anomalous (gold ± base metal) drainage cells. They then carried out followup exploration in seven of the anomalous cells, generally obtaining poor results, and limited shallow RAB drilling over the Springfield prospect, which also gave low gold values.

IMC recognised significant potential at the Springfield prospect, and drilled 59 percussion holes and one core hole at the prospect, outlining a small but sub-economic resource. To further evaluate the prospect and the surrounding areas, IMC farmed the licence out to Newcrest Mining Ltd.

Newcrest carried out ground magnetic surveying over the Springfield prospect and drilled seven deep reverse-circulation percussion holes beneath the resource and fourteen open RAB holes to check for northerly extensions. Although the mineralised intrusive was shown to continue to the north beneath alluvial cover, they considered that the gold grades obtained were too low to justify further exploration of that body.

Newcrest then carried out more regional exploration of the licence area, by flying a detailed aeromagnetic / radiometric survey over it, and 1:10,000 scale geological mapping of the western part of the licence area. They also carried out detailed mapping and soil sampling of a number of prospect areas, and drilling at several prospects. This included shallow aircore drilling at Springfield North (approximately 200-1,000 metres north along strike from Springfield) which delineated extensions to the altered intrusive (bottom-hole samples, however, generally gave low gold values); at the Belinfante prospect where aircore drilling gave low gold values; at the Divide 4 prospect where aircore drilling gave a best intersection of 30 metres at 0.32ppm gold; and an open percussion hole at the Box Hill prospect, which reported only 10 metres at 0.35ppm gold.

Newcrest concluded that the licence area was unlikely to host the size deposit they were seeking, and withdrew from the joint venture in 1991.



IMC's title to the area subsequently lapsed, but in 1997, Exploration Licence no. 5272 was granted to Millie Phillips. Initially, she carried out re-interpretation of the voluminous available exploration data, and shallow drilling at a number of prospects, with generally poor results.

At the Springfield prospect, Newcrest had earlier drilled a 190 metres angled RC percussion hole (no. SRC-200) collared near the old main shaft, from east to west across the intrusive body. Chip samples from most of the hole returned anomalous gold, with a peak value of 5.12ppm from 162 to 164 metres depth.

Mrs. Phillips drilled a 250 metre, angled, pre-collared core hole DDH MPS-1A) on the same section (see Figure 9) but from west to east, to give a scissor-section of the deeper part of the deposit. Fire assays of split core samples gave a mean of 0.65ppm gold from 135 to 182 metres down hole (a 47 metres intersection), with a peak value of 3.66ppm gold over 1.08 metres. Neutron Activation check analyses of a small number of sample pulps gave on average 7% higher gold values.

Petrological study of specimens of core from the mineralised zone identified the host rocks as syenite and monzosyenite in composition, locally brecciated and generally altered (albite-sericite-chlorite-carbonate-actinolite), with abundant veining (epidote-carbonate + chlorite + quartz, with minor prehnite and allanite), with locally abundant arsenopyrite and minor sphalerite. Fuchsite alteration is also noticeable in sections of the core. These assemblages approximate to propylitic alteration.

The drill section for the two holes suggests that the better grade mineralisation (at around 150 metres depth) is located close to the centre or just east of the centre of the intrusive body, in contrast to observations (surface and near-surface) that the main mineralised zone is focussed along the eastern margin of the intrusive. It is possible that there are a number of en-echelon mineralised zones within the body, with limited depth extents.

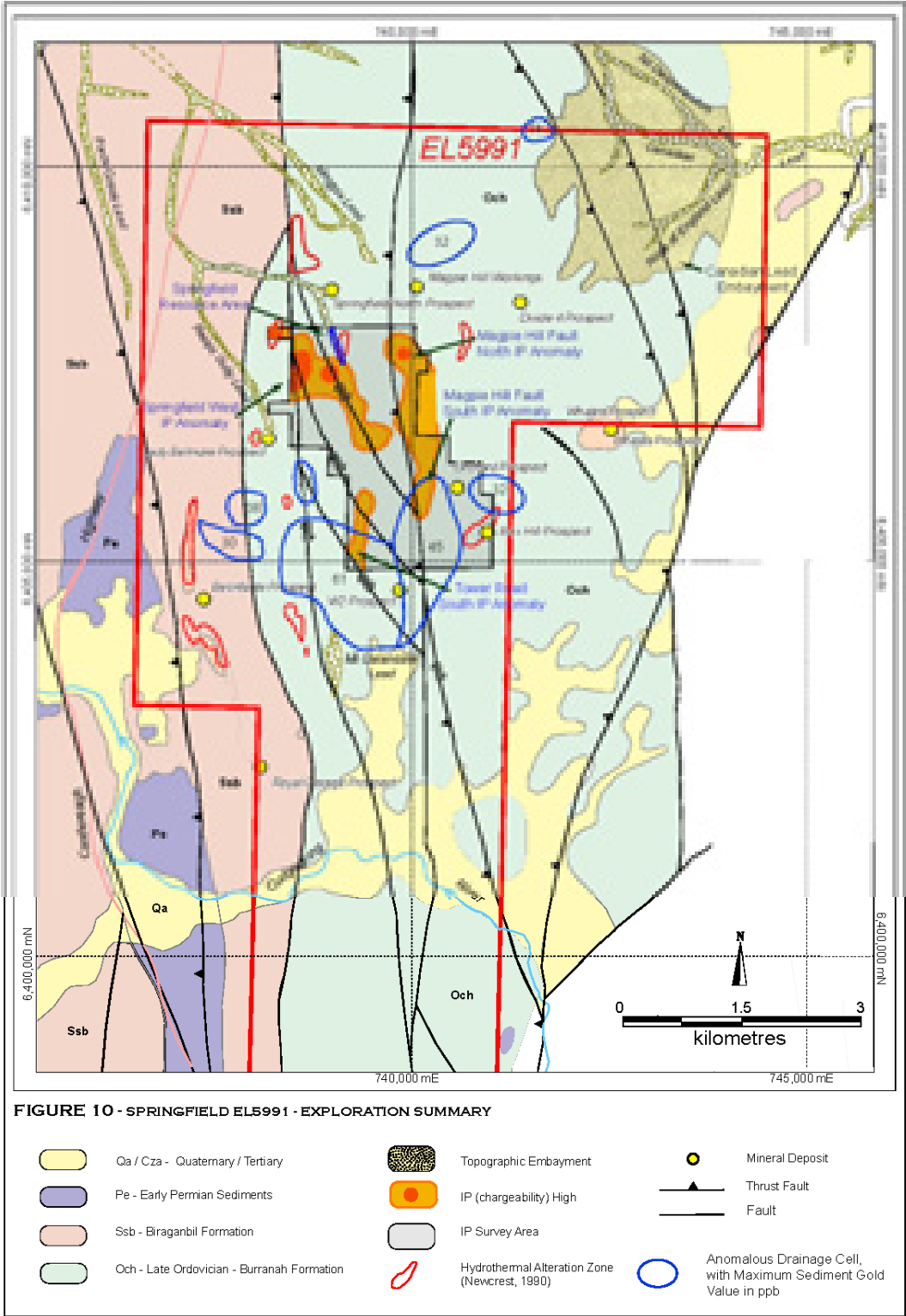
In terms of host rock, alteration assemblages, and vein mineralogy and style, with Springfield deposit is similar to Alkane Exploration's Wyoming Caloma deposit near Tormingley, which is also hosted within and adjacent to a narrow intrusive body. Alkane have defined a geological resource of 11.41 million tonnes at 2.29g/t gold (838,700 ounces), at a 0.75g/t cut off, at these deposits.

At Wyoming, a boost to the gold inventory is given by several high grade mineralised structures, which crosscut the main mineralised porphyry intrusive. These structures are quite narrow (2-10 metres wide) and difficult to detect under alluvial cover, and initially to target for drilling.

As cross cutting structures have been interpreted in the various intrusive bodies within the EL 5991 licence area, future drilling should test for possible cross-cutting high grade zones at the Springfield and Springfield North prospects.

EL 5272 was subsequently reduced in size, then allowed to lapse, in favour of an application by Herald Resources Ltd., which was granted as EL 5991. EL 5991 was vended in to the ASX float of Jaguar Minerals Ltd in 2004.

Jaguar initially undertook a GIS compilation of prior exploration data, and trial soil sampling over the Springfield resource area. The analytical results suggested that gold mineralisation extended to the south of the Springfield mineralised resource. This work was followed by more detailed soil sampling and line geological mapping of an area to 1,400 metres south of the centre of the Springfield resource by Geoplan Services Pty. Ltd. Strongly anomalous gold values were obtained to about 400 metres south of the centre of the resource, and strong arsenic values to 600 metres to the south.



In 2008, Jaguar granted an option over EL 5991 to Rintire Australia Pty. Ltd. to further explore the licence area. Rintire carried out a dipole-dipole IP survey over an area stretching from Springfield North to south of the Box Hill prospect and covering the Orchard prospect (approximately 3.2 x 1.6 kilometres) with the spacing of the east-west oriented survey traverses ranging from 250 to 400 metres. Concurrent with the IP survey, they collected soil samples at a spacing of 200 metres along each of the IP traverses. The samples were analysed for gold by fire assay and for 51 supporting elements by the ICP technique. Rock chip samples were also collected in areas where alteration or mineralisation were noted, and analysed by the same techniques.

The IP survey did not give a strong chargeability anomaly (response to sulphide mineralisation in bedrock) over the Springfield deposit (see Figure 10), but a pair of chargeability highs was detected several hundred metres to the southwest of the deposit ("Springfield West") which are centred on a resistivity high. A band of chargeability highs also trends about 1.2 kilometres towards the south-southeast from the eastern of the pair, and may be related to a fault structure controlling the Springfield mineralisation. A strong negative chargeability feature coincides with the northern part of the Springfield resource and trends away to the southeast, this may reflect a thick cover of damp near-surface alluvium which is known to be present in the area.

Rintire commented that due to the resolution of the survey (100 metre dipoles) and the effects of the negative chargeability readings, the survey was unable to detect depth extensions to the mineralisation at the Springfield deposit.

The survey also detected a discrete chargeability high in the vicinity of the Magpie Hill Fault, 600 metres east of the Springfield prospect ("Magpie Hill Fault North area"), and a major linear high extends south from that area for approximately 1.9 kilometres, to an area to the southwest of the Orchard Prospect. A second (Magpie Hill Fault South area) 800 metres long linear high is situated to the west of the Orchard Prospect, and a third linear high (the Tower Road South anomaly) lies in the southwestern corner of the surveyed area (which coincides with a mapped fence, and could be a response to that cultural feature).

The soil and rock chip sampling gave scattered anomalous gold and arsenic values:-

At the Springfield West chargeability high, strongly anomalous arsenic values were obtained in a number of soil samples.

Along the chargeability high extending to the southeast of the paired high, one weakly anomalous gold value was obtained.

At the Magpie Hill Fault North area, a weakly anomalous gold value was obtained in a soil sample. At the Magpie Hill Fault South area old workings at the Orchard prospect are situated 250 metres east of the chargeability high, and a major monzonite dyke has been mapped 250 metres to the east. At the Orchard Prospect, scattered weakly anomalous gold, arsenic and copper values were obtained from the soil sampling, but a float (rock) sample of copper-stained altered volcanic sandstone gave 330ppb gold, 1.905ppm arsenic, 2% copper, 70ppm molybdenum, 0.22% lead, 399ppm antimony and 0.16% zinc; and a grab (rock) sample of sulphidic monzonite gave 11.9ppm gold, 65ppm silver, 2.900ppm arsenic, 21.5% copper, 134ppm molybdenum, 7.4% lead, and 0.59% zinc. Mineralisation at the Orchard Prospect appears to be narrow and fracture-related, but often associated with a monzonitic intrusive phase. Only one shallow percussion hole has been drilled at the prospect.

At the linear chargeability high in the southwestern corner of the survey area (the "Tower Road South area"), a number of weak gold, copper and arsenic values were reported from the soil samples.

A number of other metal-in-soil anomalies were also obtained from the IP survey area. Both gold and arsenic were strongly anomalous across the Springfield Prospect itself (as determined by earlier explorers). The highest gold value (772ppb), occurs in the northeastern corner of the surveyed area, partly coincident with anomalous copper and arsenic values. Detailed followup work is warranted in this area.

Rimfire subsequently terminated the farmin agreement with Jaguar, and later in 2010, Meridien Resources entered in to a farmin agreement with Jaguar Minerals over the licence area.

Prospectivity and Proposed Exploration

A large amount of valuable exploration data has been generated by prior explorers. This data has been compiled to varying degrees by various explorers, but there is no overall compilation of the geochemical and geophysical data, and correlation and interpretation of the information has suffered from the variety of scales and datums used for the compilation.

The prior data packages should be compiled to produce a small number of readily correlatable plans for each data type, at a limited number of standard scales. As many of the earlier data packages have been in digital formats, it is considered that producing overall compilations would not be a mammoth task. These compilations will greatly assist the planning of future exploration.

At this stage it is clear that detailed exploration work, targeting structurally-controlled mesothermal gold, sediment-hosted (Carlin-style) gold, and intrusion-related gold mineralisation is warranted at a number of prospects (see Figure 10):

- **Springfield and Springfield North Prospects**
 - detailed ground magnetic surveying over an approximately 2.0 x 0.8 kilometre area to detect possible mineralised cross-structures.
 - reverse circulation percussion and core drilling to test areas within the host monzodiorite intrusive where there is potential to outline extensions to mineralised zones in the Springfield Resource area, to test for possible mineralisation to the north and south of the resource area, and to test any interpreted cross-cutting structures. The initial holes should be limited to 160 metres vertical depth.
 - drilling of several deep RC percussion holes to test the monzodiorite body at depth beneath alluvial cover at Springfield North.
- **Springfield West IP Anomalies**
 - infill soil sampling, and geological mapping, rock chip sampling and petrographic studies to outline alteration zones and mineralisation.
 - initial deep RC percussion drilling to test the IP anomaly.
- **Orchard Prospect**
 - compile prior data on to one plan
 - detailed ground magnetic surveying to delineate structures.
 - more detailed soil sampling to infill prior data.

- **Magpie Hill Fault North Area**

- the IP chargeability anomaly (and an associated resistivity low) may be sourced in a thick band of black shales in the footwall of the interpreted Magpie Hill Thrust Fault require more detailed mapping and rock chip sampling, and localised detailed soil sampling.
- the location of the IP anomaly in a shale unit beneath the fault plane, and the presence of old prospecting pits, highlights this area as having potential for Carlin-style gold mineralisation.
- shallow percussion drilling may be warranted dependent on the results of the initial work.

- **Magpie Hill Fault South Area**

- the chargeability anomaly (with coincident resistivity high) lies under 50 metres of conductive cover rock, and may represent a mineralised intrusive porphyry body at depth, from which mineralised solutions escaped and were deposited in fractures at the nearby Orchard Prospect workings. The metal assemblage in rock samples collected at the old workings by Sabminco and Rindfire (gold-copper-lead-zinc-silver-molybdenum-arsenic-antimony) is typical of a porphyry mineralised system in contrast to the gold-arsenic association seen elsewhere in the Springfield licence area.
- to define and test the postulated target, a programme of infill soil sampling and RC percussion drilling is warranted.

- **Tower Road South Area**

- in this area, a 1,000 x 50 metres north-south oriented moderate chargeability high and resistivity low is coincident with mapped sedimentary rocks (including possible black shales) with flanking monzonite dykes. There are a number of gold and copper soil and stream sediment anomalies in this area. Infill soil sampling with analysis for a range of elements, and geological mapping and rock chip sampling to define a target for RC percussion drilling, is warranted.

- **Regional**

- a number of soil and stream sediment anomalies within the licence area should be further investigated.

Negotiation of access to a number of properties will be necessary before field work can commence at some of the prospects.

Proposed Budget

The proposed \$70,000 and \$200,000 budgets allocated to this project for Years 1 and 2 respectively should adequately allow testing of most of the exploration targets.

4. WEELAH EXPLORATION LICENCE No. 6309

The Weelah exploration licence is centred 35 kilometres south-southeast of Condobolin and 57 kilometres north of West Wyalong in central New South Wales (see Figure 1).

The licence area straddles the Gilmore Fault Zone, and the main Gilmore Suture structure lies beneath the southwestern margin of the licence area, essentially separating the flysch metasediments of the Ordovician Wagga Group to the west, from the middle to late Ordovician Junee Narramung Volcanic Belt (part of the Macquarie Volcanic Arc) to the east. In broader terms the suture separates the Western Lachlan Fold Belt from the Central and Eastern Lachlan Fold Belt, and has had a major localising control on gold, copper-gold and base metals-silver-gold deposits over a substantial strike length, from Kiandra in the south to north of Canberrga, a distance of approximately 550 kilometres.

Deposit styles associated with the fault zone include porphyry copper-gold and high sulphidation gold in the Ordovician Gidginbung volcanics between Temora and West Wyalong, porphyry copper and copper-gold and base-metal carbonate gold deposits in the Ordovician Lake Cowal Volcanic Complex, low sulphidation epithermal gold \pm base metals in the Wagga Group metasediments just north of Condobolin and at Canberrga east of Cobar, and gold-silver-base metal vein deposits and low-sulphidation epithermal gold-silver deposits in Devonian acid volcanics and porphyry gold in Ordovician volcanics, at Mineral Hill, Yellow Mountain and Bobadah.

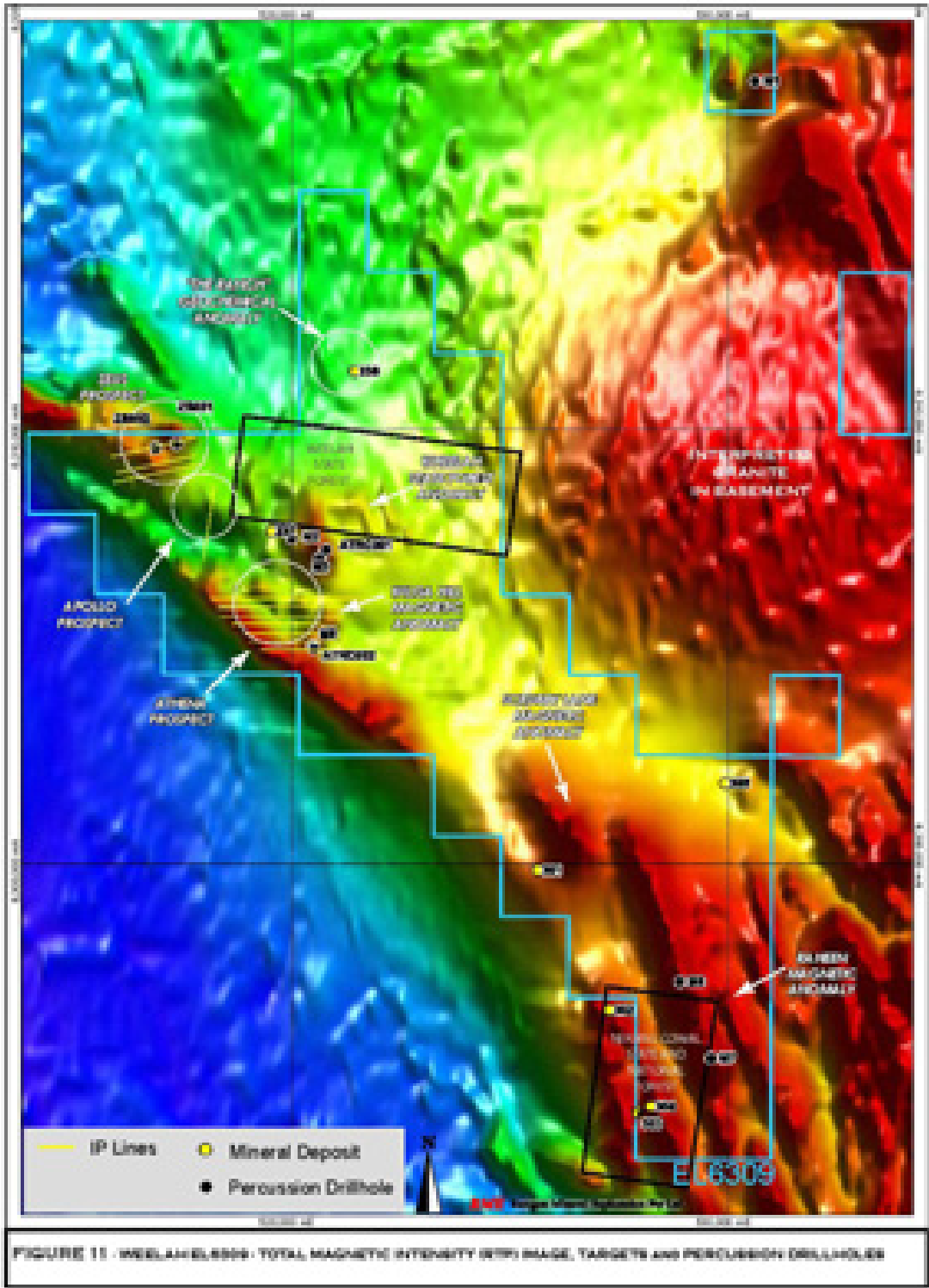
Based on regional aeromagnetic data, basement beneath EL 6309 is believed to be dominantly volcanics, sediments and intrusives of the Lake Cowal Igneous Complex. This complex hosts Barrick Gold Corporation's Cowal Gold Mine 32 kilometres to the southeast (63.6 million tonnes at 1.22g/t gold, a carbonate-base metal epithermal deposit) and Newcrest Mining's Marsden deposit 47 kilometres to the southeast (which has an inferred resource of 76.7 million tonnes at 0.5% copper and 0.3g/t gold - a porphyry stockwork deposit hosted in quartz diorite and monzodiorite).

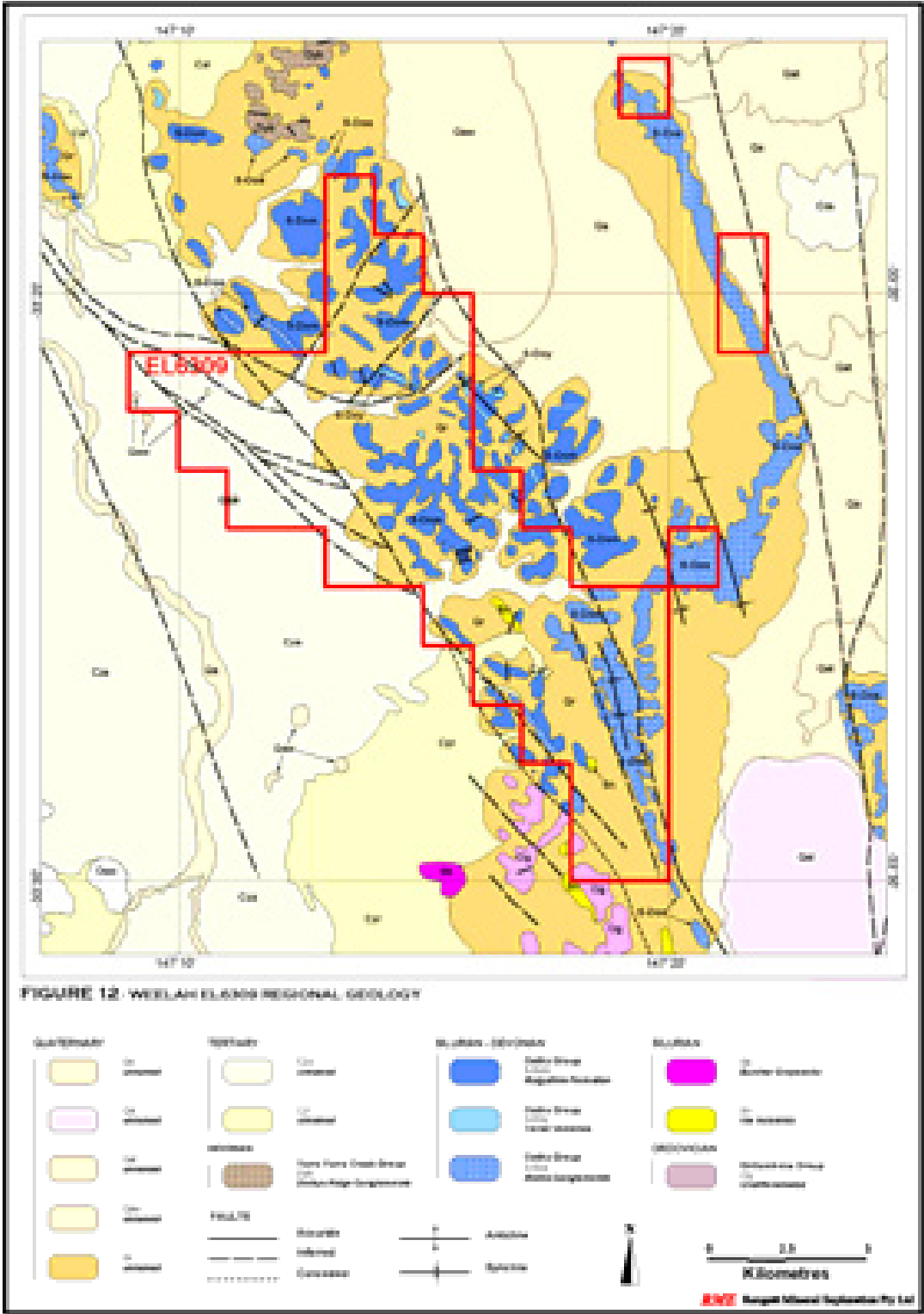
Regional Geology and Mineralisation

Figure 11 is a Total Magnetic Intensity image covering EL 6309 and its surroundings: the image is derived from a 1983 airborne survey carried out by the Australian Geological Survey Organisation. Basement rocks which are part of or associated with the Lake Cowal Igneous Complex are clearly outlined as areas of high magnetic intensity (hot colours). Also evident is the major sinuous flexure (to the west-northwest) in the Gilmore Suture in contrast to its more usual north to north northwesterly trend. This flexure or 'jog' in the suture has resulted in considerable structural complexity in the basement rocks, which is believed to have created conditions conducive to repeated intrusive activity and dilation zones, and that in turn may have created opportunities for repeated hydrothermal and mineralisation events.

Figure 12 shows outcrop and subcrop geology as mapped by the Geological Survey of NSW in 1998. The geology is dominated by Tertiary (Czr and Cza) and Quaternary age (Qr, Qa, Qaw) sediments (relatively recent cover material) with subordinate 'kernels' of subcropping and outcropping Siluro-Devonian rocks (which are also essentially cover rocks). Elements of the Gilmore Fault Zone are shown on this map, as dashed pink lines. The only Ordovician rocks mapped at the surface are exposures of the Girilambone Group metasediments (Og) in the extreme south of the licence area, and a minute exposure of ultramafic rocks (Bu) on the Gilmore Suture, in the extreme northwest of the map area (six kilometres northwest of EL 6309).

Within the licence area, a few small surface exposures of the early Silurian Ina Volcanics (Sn, Rhyolite crystal-rich ignimbrite and felsic volcanic breccia) have been mapped, which unconformably overlay the Ordovician rocks.





Siluro-Devonian rocks of the Ootha Group (older to younger) include the Manna Conglomerate (**S-Dea**) polymict conglomerate and quartz / lithic sandstones which generally rest unconformably on the Ordovician basement; conformably overlain by the mudstones and sandstones of the Mulgutherie Group (**S-Dom**) with scattered lenticular bodies of rhyolitic tuff and volcanoclastic sandstone of the Yarnell Volcanics (**S-Doy**).

The Silurian and Siluro-Devonian rocks are usually cleaved, in particular on or adjacent to interpreted major fault structures, where high angle shearing is commonly developed.

Recorded mineral occurrences exposed at the surface within the licence area (see Figure 11) include two small old workings (one for copper) within the Girilambone Group in the southwestern corner of the licence area (occurrences 303 and 304) close to an outcrop of Ina Volcanics; and low-grade pyrrhotite-bearing lead-zinc mineralisation occurs in Mulgutherie Formation or Ina Volcanics at the Olafs Prospect (no. 302) just outside the boundary of EL 6309. Two small manganese ± gold occurrences (old workings, nos. 237 and 238) are located in probable Mulgutherie Formation. At site no. 237, rhodonite (primary manganese silicate) was recorded.

A number of other small old workings are also recorded within the licence area, but the metal(s) sought at those sites are not known.

Prior Exploration

Exploration programmes were carried out over all or parts of the area of EL 6309 by a large number of companies (Central Pacific Minerals, Samaritan / Getty Oil, Peko-Wallsend, Gold Fields Exploration, Shell Metals, Seltrist / Paragon, BP Australia, North Mining, Newcrest Mining Ltd. and Tresmonay. However, very limited definitive drilling was carried out within the present licence area by those companies.

At the Olafs Prospect, four cored holes were drilled, obtaining a best intercept of 11.3 metres at 2% combined lead and zinc. At the Wilga Hill Prospect (see Figure 11) North Mining drilled two aircore holes, obtaining weakly anomalous gold, zinc and copper values.

Regional (roadside) aircore drilling was carried out by Newcrest Mining, but very few holes were drilled within the current area of EL 6309, and no significant results were obtained from those few.

Exploration Carried out by Augur Resources

EL 6309 was originally granted to Champion Resources Ltd. in September, 2004, and the name of the company was changed to Augur Resources Ltd. shortly afterwards. Geos Mining Minerals Consultants carried out a summary review of prior exploration data, obtained landholder agreements for key properties, had a Native Title search carried out on the two State Forest blocks within the licence area and imaging and interpretation of airborne geophysical data, and selected geophysical targets for shallow geochemical drilling. They also made reconnaissance geological visits to selected prospective sites where rock chip samples were collected for analysis. The samples gave anomalous copper values (522ppm) near "The Ranch" homestead and anomalous lead (505ppm), arsenic (to 112ppm) and weakly anomalous silver (to 0.8ppm) from the centre of an annular aeromagnetic low which straddles the southern boundary of the Weelah State Forest (see Figure 12).

They then drilled twelve very shallow RAB geochemical holes in to several targets in Mulgutherie Formation sediments within the licence area: Holes WD01 to 08 were drilled along a public road south of the Weelah State Forest (in the vicinity of deposit no. 237), obtaining weakly anomalous copper, arsenic and zinc values, and four holes in to the linear.



northeast-trending magnetic anomaly at "Wilga Hill", obtaining anomalous copper (to 594ppm), arsenic (to 59ppm) and zinc (497ppm).

Further interpretation of geophysical data followed. During late 2007 and early 2008, shallow reverse circulation percussion geochemical drilling (six holes) was carried out in to magnetic anomalies (see Figure 13 for locations). Hole M1 tested Ordovician basement beneath the Manna Conglomerate and hole M2 Ordovician basement beneath alluvium; both gave low metal values.

Hole M3 was drilled in to a magnetic high, passing through 33 metres of Quaternary or Tertiary alluvium then in to variably weathered slate. The source of the magnetic high is believed to have been the magnetic mineral maghaemite in the alluvium, but anomalous gold (up to 318ppb), copper (to 513ppm), arsenic (to 49ppm), manganese (to 4,670ppm) and iron (to 7.5%) values were obtained over one metre intervals from the slate, and petrographic work showed the presence of pyrite and carbonate ± quartz veinlets, warranting further investigation.

Hole M5 was drilled vertically in to the Wilga Hill magnetic anomaly to 68 metres depth, intersecting a variably weathered, locally strongly altered quartz diorite to quartz monzonite porphyritic intrusive rock, believed to be a phase of the Lake Cowal Igneous Complex. Maximum metal values were 380ppm copper, 7.08% iron, 2,070ppm manganese, 1,930ppm arsenic and 154ppb gold over one metre intervals.

Hole M6 was drilled vertically in to the peak of a major northwest-trending magnetic high, passing through a variably altered, non-magnetic acid crystal tuff to 60 metres depth. The tuff is believed to be part of the Silurian Ina Volcanics, and the hole did not reach the magnetic source in the basement. Hole M7 was drilled in to the same magnetic high 2 kilometres further south. The hole passed through 22 metres of alluvium, then Mulgutherie Formation to 53 metres, then trachytic and latitic flow and intrusive rocks to 63 metres which gave elevated magnetic susceptibilities. The volcanics are believed to be a unit of the Lake Cowal Volcanics, and gave slightly elevated copper (to 315ppm), zinc (to 222ppm), arsenic (to 10ppm) and manganese (to 1,160ppm).

Four shallow aircore geochemical holes (M10-1 to 4) were also drilled in the centre of the annular aeromagnetic low south of the Weelah State Forest, obtaining weakly anomalous maxima of 67ppm copper, 239ppm zinc, 35ppm lead and 23ppm arsenic in siltstones of the Mulgutherie Formation.

Twelve aircore holes (M11-1 to 4, M12-1 to 4 and M13-1 to 4) were drilled to the east and northeast of "The Ranch" homestead, in the general vicinity of deposit no. 238, mostly penetrating siltstones of the Mulgutherie Formation with weakly anomalous copper, lead, zinc and arsenic values. However, holes M13-2, 3 and 4 intersected a moderately to intensely altered doleritic intrusive rock, with a variety of small fracture fill veinlets. Metal values were only weakly anomalous (with maxima of 147ppm copper, 12ppb gold, 36ppm arsenic and 233ppm zinc), however, manganese was strongly anomalous (to 9,250ppm). Petrographic work suggests that a strong hydrothermal system was developed in the intrusion, and more systematic aircore drilling is warranted at the M13 site.

In 2009, Augur carried out dipole-dipole IP surveying in several areas in the northwestern part of the licence area. Line spacing varied from 200 to 400 metres. Three lines were surveyed in the northwestern extremity of the licence area, partially covering a number of west-northwest trending structures, which they termed the Zeus Prospect (see Figure 12). One north-south oriented line ("10 000E") was surveyed over a circular magnetic low on the eastern extension of one of the east-west structures evident in the magnetic image, termed the Apollo Prospect. A grid of seven lines ("4900N" - 6100N") was surveyed from the Gilmore Suture to the east, and was termed the Athena Prospect. However, coverage of the intrusive

body at Wilga Hill, indicated by the north-northeast trending magnetic high, was minimal due to the presence of wheat crops in that area.

The survey data from the Zeus Prospect was negated by extreme current channelling in to apparent highly conductive overburden, and the Apollo data was similarly affected over its northern half. At the Athena Prospect, weak chargeability responses, possibly indicative of buried disseminated sulphides, were obtained on the three northernmost lines, but the data needs to be checked and interpreted by an experienced geophysicist.

Petrographic work on two specimens of float of very weathered rock from the Zeus grid described them as probably derived from an underlying ultrabasic igneous rock.

In 2010, two reverse circulation percussion holes were drilled at the Zeus Prospect and two at Athena, targeting magnetic anomalies.

The two angled holes drilled at Zeus (ZS-001 and ZS-002) intersected what is believed to be a mafic to ultramafic rock which was partly lateritised, suggested by strongly anomalous manganese values. Gold and silver values were very low, but copper, cobalt and zinc values were elevated and nickel slightly elevated. Surprisingly, some weakly anomalous molybdenum values (maximum 3.4ppm) were reported in hole ZS 002, suggestive of an intermediate to acid intrusive association.

At Athena, hole ATRC-001, angled to the southwest to test the magnetic high on the western side of the annular anomaly was terminated at only 62 metres so is unlikely to have tested the magnetic target. Clay and "gravel" returns were logged through most of the hole, with sandstone from 58 to 62 metres. High iron (4.06 - 7.05%) and manganese (288 - 4,790ppm) values throughout the hole suggest some laterite was developed in the saprolitic clay. Gold values were only locally slightly elevated, but copper values ranged up to 515ppm, arsenic to 43ppm, and silver to 2ppm. Magnetic susceptibility values were only weakly anomalous. As fresh rock was not reached, it is not clear if the bedrock is mineralised or if the elevated metals are solely due to scavenging in a lateritic environment.

Hole ATRC-002, angled to the west, was drilled to 102 metres through clay / saprolite in to a mafic intrusive rock which was variably altered and quartz-carbonate veined. In the fresher rock, magnetic susceptibility values were strongly anomalous, confirming the source of the magnetic anomaly. Iron and manganese values were strongly anomalous in the weathered (?lateritised) bedrock, along with anomalous arsenic, copper and zinc, and weakly anomalous gold (maximum 22ppb). In the final two metres of the hole, elevated sulphur (0.65%) indicates that fresh rock (with sulphides) had just been reached. This interval also reported the highest copper (441ppm) and iron (8.15%) values, and weakly elevated gold (14ppb) and arsenic (17ppm). Magnetite was logged in this interval, and the sulphur levels suggest that pyrite and possibly chalcopyrite were also present.

Prospectivity and Proposed Exploration

The Weelah exploration licence covers a tectonic belt which is very prospective for epithermal and porphyry-style gold-silver-base metal deposits. Although outcrop is poor and there is almost no exposure of the target Ordovician host rocks, the public aeromagnetic data has been very useful for delineating structures and interpreting buried intrusive bodies and possible alteration zones beneath surficial cover. Limited sampling of surface float over the Wilga Hill magnetic anomaly by Augur Resources obtained weak copper values, indicating that soil sampling may be able to successfully detect mineralised zones in the area.

Drilling to date to test various targets has only been to shallow depths and has only achieved very limited tests of the targets.

At least six exploration targets within the licence area warrant systematic followup exploration:

- **the Wilga Hill Magnetic Anomaly** (on the eastern margin of the Athena Prospect) - very restricted drilling to date detected a sulphide-mineralised zone in a mafic to intermediate porphyry intrusive, with anomalous copper, arsenic, manganese and gold values. The mineralised zone is magnetite depleted - this should be detectable as a zone of low values in detailed ground magnetic data. The target is gold-mineralised alteration zones within the intrusive.

Work on this prospect should include detailed ground magnetic surveying, soil sampling, traverses of aircore geochemical drilling across anomalous zones, and deeper drilling of outlined mineralised zones.

- **untested magnetic anomalies** a number of these are situated just to the northeast of the Gilmore Suture (see Figure 13) and they could be cheaply ranked against the Wilga Hill Magnetic Anomaly by a programme of ground magnetic surveying, soil sampling and limited aircore geochemical sampling.
- **Weelah State Forest Anomaly** - very shallow aircore holes drilled in the central magnetic low obtained weakly anomalous base metals and arsenic values in siltstones of the Mutgutherie Formation cover rocks.

Holes M3 and ATRC-001 were drilled at the prominent magnetic high and intersected slate and sandstone, with locally anomalous base metals, arsenic and gold. Geological interpretation was hampered by deep weathering, but as geochemical encouragement was generated by the only two holes drilled at this anomaly, systematic followup exploration work is warranted. This should include ground magnetic surveying, soil sampling and aircore drilling, focussing initially on the prominent aeromagnetic high. Soil Sampling should be carried out over the central magnetically flat area.

- **"The Ranch" Geochemical Anomaly** - this is the general site of a 1950s manganese-gold prospect (deposit no. 238), which is no longer recognisable on the surface. Reconnaissance rock chip sampling of surface float by Geos Mining for Augur Resources gave weakly anomalous arsenic, antimony, copper and gold values, and subsequent shallow aircore drilling (12 holes) was carried out for Augur at various sites. Three of the holes intersected an altered and veined doleritic intrusive rock, reporting strongly anomalous manganese, and weakly anomalous copper, zinc, arsenic and gold. These are associated with what appears to be a strong hydrothermal system which affected the dolerite.

Recommended work here includes soil sampling, geological mapping of rock float, and followup aircore drilling.

- **the Raheen Magnetic Anomaly** - this is an elongate north-northwest trending magnetic ridge within the Gilmore Fault Zone. One Augur Resources' drillhole reached interpreted Ordovician bedrock of shoshonitic intermediate volcanics. This basement rock is believed to be a unit of the Lake Cowal Igneous Complex, and some chips of possible intrusive rock were identified petrographically in the drill chips. Analysis of composite samples gave slightly elevated copper, zinc, arsenic and manganese values.

Parallel magnetic highs lie 1.5 kilometres to the southwest and 800 metres to the northeast of the main magnetic ridge. Initial followup work on all three structures should include local detailed ground magnetic surveying, and short traverses of deep geochemical aircore / percussion drilling.

- the **Scrubby Lane Magnetic Anomaly** - this is a similar feature to the Raheen Magnetic Anomaly, but with a different orientation (northwesterly), shorter strike length (2.5 kilometres) and greater structural complexity. It constitutes a stand-alone exploration target in an area where no sub-surface exploration work has been carried out. It is recommended that detailed ground magnetic surveying be undertaken across the anomaly, followed by drilling of a number of strategically-placed aircore / percussion geochemical holes.

Proposed Budget

The proposed budget of \$80,000 in Year 1 and \$100,000 in Year 2 is considered to be adequate to further advance most of the exploration targets.

REFERENCES

- Kirkpatrick, BL- "Springfield Project EL 5991 Mineral Resources Estimation", internal report for Herald Resources Ltd, October, 2003.

Investigating Accountant's Report

10

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24 December 2010

The Directors
 Vendien Resources Limited
 Level 29, Chifley Tower 2
 Chifley Square Sydney NSW 2000

Dear Sirs

Investigating Accountant's Report and Financial Services Guide

1. Introduction

- 1.1 At the request of the Directors of Vendien Resources Limited ('Vendien' or 'the Company'), we have prepared this Investigating Accountant's Report (the 'Report') on selected pro-forma and historical financial information of the Company for inclusion in a Prospectus to be dated on or about 24 December 2010 (the 'Prospectus') relating to, among other things, the proposed offer of up to 25,000,000 new Shares at an Offer Price of \$0.20 per Share to raise up to \$5,000,000 (the 'Maximum Subscription'), of which \$3,000,000 represents the 'Minimum Subscription'.
- 1.2 This Report has been requested for inclusion in the Prospectus which is to be filed by the Company with the Australian Securities Exchange (the 'ASX') and the Australian Securities and Investments Commissions for the purposes of obtaining a listing on the ASX.
- 1.3 RSM Bird Cameron Corporate Pty Ltd ('RSMBCC') has been requested to prepare a Report concerning the financial information provided in Section 11 of the Prospectus. The nature of this Report is such that it can only be given by an entity that holds an Australian Financial Services Licence under the Corporations Act. RSMBCC holds the appropriate Australian Financial Services Licence. This Report is both an Investigating Accountant's Report (the scope of which is set out below) and a Financial Services Guide (attached as Appendix A). These are to be read together and constitute one document.
- 1.4 The future prospects of Vendien are not addressed in this report, other than the preparation of the pro-forma balance sheet assuming completion of the proposed transaction and relevant pro-forma adjustments.
- 1.5 This report does not address the rights attaching to the Shares to be issued pursuant to this Prospectus, nor the risks associated with the investment.

RSM Bird Cameron
 Corporate Pty Ltd
 ABN 82 050 958 324
 AFS Licence No 265447

Major Offices in
 Perth, Sydney,
 Melbourne,
 Adelaide and
 Canberra

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the Directors of RSM Bird Cameron. RSM Bird Cameron is an independent member firm of RSM International, an association of independent accounting and consulting firms. RSM International, the name given to a network of independent accounting and consulting firms, each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.

RSM Bird Cameron Corporate Pty Ltd

AFS Licence No 255847

2. Scope of examination

- 2.1 You have requested RSMBC to prepare an Investigating Accountant's Report for inclusion in the Prospectus covering the following information of the Company
- The audited historical balance sheets of the Company at 30 June 2009 and 30 June 2010 prior to the proposed Minimum Subscription and proposed Maximum Subscription and relevant pro-forma adjustments; and
 - The pro-forma balance sheet of the Company at 30 June 2010 assuming the completion of either the proposed Minimum Subscription or the proposed Maximum Subscription, and relevant pro-forma adjustments

3. Responsibility

- 3.1 The Directors of the Company are responsible for the preparation of the historical and pro-forma financial information, including the determination of the pro-forma adjustments.
- 3.2 It is our responsibility to review the historical and pro-forma financial information as set out in Section 11 of the Prospectus and report thereon. We disclaim any responsibility for any reliance on this Report or the financial information to which it relates for any other purpose other than that for which it is prepared. This Report should be read in conjunction with the rest of the Prospectus.

4. Background

- 4.1 Meridien Resources is a gold exploration and mining company with a current focus on areas in the Central West corridor of New South Wales, Australia.
- 4.2 The Company was listed on the National Stock Exchange of Australia on 29 October 2009.
- 4.3 In accordance with the Prospectus, the Company is currently seeking a listing on the ASX to facilitate access to a broader capital market.
- 4.4 At a General Meeting of Shareholders held on 20 October 2010, a resolution was carried that provided approval to the Company for the issue of:
- Up to 15,000,000 ordinary shares at an issue price of not less than \$0.20 per share
 - A further 10,000,000 shares at an issue price of not less than \$0.20 per share in oversubscriptions; and
 - An additional 13,617,321 options exercisable on or before the end of 2012 at a minimum of \$0.30 at an issue price of \$0.01 for every option. The Company has elected not to issue any of these options as of the date of the Prospectus.

5. Review of historical and pro-forma financial information

- 5.1 We have performed a review of the historical financial information in order to state whether, on the basis of the procedures described, anything has come to our attention that would cause us to believe that the historical and pro-forma financial information as described above and as set out in Section 11 of the Prospectus is not fairly presented in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of the Australian International Financial Reporting Standards ("AIFRS").

RSM Bird Cameron Corporate Pty Ltd

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- 5.2 Our review of the historical financial information was conducted in accordance with the Australian Auditing Standard applicable to review engagements (Review Engagements, ASRC 2405). We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:
- an analytical review of the financial information for the Company for the relevant historical periods;
 - a comparison of consistency in the application of the measurement and recognition requirements (but not all the disclosure requirements) of the AFRS, other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Company, and disclosed in Section 11 of the Prospectus;
 - a review of accounting records and other documents; and
 - enquiries of Directors and management of the Company.
- 5.3 The pro-forma financial information illustrates the effects of the following transactions as if they occurred on 30 June 2010:
- the offer to public subscribers by the Company based on the proposed offer of up to 15,000,000 new Shares at an Offer Price of \$0.20 per Share to raise up to \$3,000,000 (the Maximum Subscription), of which \$3,000,000 represents the Minimum Subscription;
 - the payment of related issue costs applicable to the raising of funds under the Minimum Subscription and the Maximum Subscription;
 - the issue of 1,000,000 shares in the Company and payment of \$100,000 to Jaguar Minerals Limited in respect of the acquisition of 80% of their Springfield tenement (which remains subject to completion and is summarised in Section 13.2 of the Prospectus);
 - the issue of 150,000 shares in the Company and payment of \$15,000 to Augur Resources Limited in respect of the acquisition of 80% of their Weelah tenement (which remains subject to completion and is summarised in Section 13.4 of the Prospectus);
 - the Company's purchase of the Burruga land on which the Lucky Draw tailings dam is situated from Renison Limited for \$125,000 (which settled on 13 December); and
 - the issue of \$345,000 in convertible notes by the Company on or about 23 December 2010 (the terms of which are summarised in Section 14.4 of the Prospectus).
- 5.4 The scope of our procedures was substantially less than what would be required in an audit conducted in accordance with Australian Auditing Standards, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and accordingly we do not express an audit opinion on the historical and pro-forma financial information.
- 6. Review Statement on Historical and Pro-forma financial information**
- 6.1 Based on our review of the historical and pro-forma financial information, which is not an audit, nothing has come to our attention that causes us to believe that the financial information set out in Section 11 of the Prospectus does not present fairly:
- the audited historical balance sheet for the Company as at 30 June 2010; and
 - the pro-forma balance sheet of the Company at 30 June 2010.

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RSM Bird Cameron Corporate Pty Ltd

AFS Licence No 255447

in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of the AIFRS, other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Company, disclosed in Section 11 of the Prospectus.

7. Subsequent events

- 7.1 Apart from the matters dealt with in this Report, having regard to the scope of our work, to the best of our knowledge and belief, no material transactions or events outside the ordinary business of the Company have come to our attention that are not otherwise disclosed in this Prospectus, which require further comment upon, or adjustment to the information referred to in this Report, or which would cause the information in this Report to be misleading.

8. Declaration and Independence or disclosure of Interest

- 8.1 RSMBCC is beneficially owned by the partners of RSM Bird Cameron, a large national firm of chartered accountants.
- 8.2 Mr Brent James CA is a director of RSMBCC. He has professional qualifications and experience appropriate to the content of the Report.
- 8.3 RSM Bird Cameron Corporate Pty Ltd has acted as investigating accountant for the Company but has not been involved in the preparation of any other part of this Prospectus. Accordingly, we make no representations as to the completeness and accuracy of the information in any other part of this Prospectus. RSM Bird Cameron Corporate Pty Ltd has not made and will not make any recommendation, through the issue of this Report, to potential investors of the Company as to the merits of the investment.
- 8.4 RSM Bird Cameron Corporate Pty Ltd will receive a fee of \$12,500 plus GST for the preparation of this Report based on actual hours spent on the assignment at normal professional rates. With the exception of the above fees, neither Mr Brent James nor RSM Bird Cameron Corporate Pty Ltd will receive any other benefits, either directly or indirectly, from the preparation of this Report and have no pecuniary or other interest which could be regarded as affecting the ability to conduct an unbiased review in relation to the proposed transaction. An associated entity, RSM Bird Cameron Partners, serve as the auditors of the Company as disclosed in the Prospectus and have rendered fees of \$17,500 plus GST since June 2009 in that capacity.
- 8.5 RSM Bird Cameron Corporate Pty Ltd has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears. At the date of this Report, this consent has not been withdrawn.

Yours faithfully



BRENT JAMES
Director

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RSM Bird Cameron Corporate Pty Ltd
AFS Licence No 255847

Appendix A - Financial Services Guide

Declaration and Independence or Disclosure of Interest

RSM Bird Cameron Corporate Pty Ltd, ABN 62 050 508 024 ("RSM Bird Cameron Corporate Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them

Financial services we are licensed to provide

We hold an Australian Financial Services Licence, which authorises us to provide financial product advice in relation to:

- deposit and payment products limited to:
 - (a) basic deposit products;
 - (b) deposit products other than basic deposit products;
- interests in managed investments schemes (excluding investor directed portfolio services); and
- securities (such as shares and debentures).

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

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RSM Bird Cameron Corporate Pty Ltd
AFS Licence No 255847

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither RSM Bird Cameron Corporate Pty Ltd, nor any of its directors, employees or related entities receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the partners of RSM Bird Cameron, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Bird Cameron Partners.

From time to time, RSM Bird Cameron Corporate Pty Ltd, RSM Bird Cameron Partners, RSM Bird Cameron and, or RSM Bird Cameron related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints Resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, RSM Bird Cameron Corporate Pty Ltd, P O Box R1253, Perth, WA, 6844.

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AFS Licence No 255847

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Toll Free 1300 78 08 08
Facsimile (03) 9613 6309
Email info@fos.org.au

Contact Details

You may contact us using the details set out at the top of our letterhead on page 1 of this report.

Financial Information

11

11.1 INTRODUCTION

This section provides historical and pro-forma financial information for Meridien Resources Limited. All information contained in this section should be read in conjunction with the Investigating Accountant's Report (Section 10 of the Prospectus), the Risk Factors (Section 7 of this Prospectus) and other information included in this Prospectus.

The financial information set out in this section includes:

- audited Statements of Financial Position as at 30 June 2009 and 30 June 2010; and
- pro-forma Statement of Financial Position as at 30 June 2010, assuming the Offer and the pro-forma transactions outlined in this section of this Prospectus had occurred at that date.

11.2 STATEMENT OF FINANCIAL POSITION

| | Notes | Audited 30 June 2009 \$ | Audited 30 June 2010 \$ | Pro-forma Consolidated Minimum Subscription \$ | Pro-forma Consolidated Maximum Subscription \$ |
|--------------------------------------|---------|-------------------------------|-------------------------------|--|--|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 11.3.3 | (2,028) | 35,169 | 2,786,669 | 4,656,669 |
| Trade and other receivables | | 46,451 | 74,696 | 74,696 | 74,696 |
| Financial asset | | 110,178 | 37,134 | 37,134 | 37,134 |
| Total Current Assets | | 154,601 | 146,999 | 2,898,499 | 4,768,499 |
| Non current assets | | | | | |
| Property, plant and equipment | 11.3.6 | 16,625 | 9,004 | 134,004 | 134,004 |
| Other non-current asset | 11.3.7 | 370,450 | 527,307 | 872,307 | 872,307 |
| Intangible Assets | | 680 | - | - | - |
| Total Non-Current Assets | | 387,755 | 536,311 | 1,006,311 | 1,006,311 |
| Total Assets | | 542,356 | 683,310 | 3,904,810 | 5,774,810 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | | 55,602 | 185,300 | 185,300 | 185,300 |
| Total Current Liabilities | | 55,602 | 185,300 | 185,300 | 185,300 |
| Non current liabilities | 11.3.9 | | | | |
| Convertible note | | - | - | 258,750 | 258,750 |
| Total Non Current Liabilities | | | | 258,750 | 258,750 |
| Total Liabilities | | 55,602 | 185,300 | 444,050 | 444,050 |
| Net Assets | | 486,754 | 498,010 | 3,460,760 | 5,330,760 |
| EQUITY | | | | | |
| | 11.3.10 | | | | |
| Issued capital | | 674,720 | 1,226,036 | 4,118,077 | 5,952,722 |
| Share Option Reserves | | 6,900 | 6,900 | 77,609 | 112,964 |
| Accumulated losses | | (194,866) | (734,926) | (734,926) | (734,926) |
| Total equity | | 486,754 | 498,010 | 3,460,760 | 5,330,760 |

The pro-forma Statement of Financial Position has been prepared based on the audited Statement of Financial Position of Meridien Resources Limited as at 30 June 2010, and on the basis that the following transactions and adjustments had occurred at that date:

- The issue of Shares under this Prospectus raising cash funds of \$3,000,000 from the issue of 15,000,000 shares at 20 cents each (Minimum Subscription) and oversubscriptions of up to a further \$2,000,000 through the issue of a further 10,000,000 shares at 20 cents each. This will bring the maximum raising under this Prospectus to \$5,000,000 (Maximum Subscription).
- The payment of the issue costs with respect to this Prospectus which are estimated to be \$424,209 (for the Minimum Subscription) and \$589,564 (for the Maximum Subscription).
- The issue of 1,000,000 shares and payment of \$100,000 to Jaguar Minerals Limited in respect of the acquisition of 80% of their Springfield tenement (the terms of which are summarised in Section 13.2 of this Prospectus).
- The issue of 150,000 shares and payment of \$15,000 to Augur Resources Limited in respect of the acquisition of 80% of their Weelah tenement (the terms of which are summarised in Section 13.4 of this Prospectus).
- The purchase of the Burraga land from Renison Limited for \$125,000 (settled 13 December 2010).
- The Company has issued \$345,000 in Convertible Notes (the terms of which as summarised in Section 14.4 of this Prospectus) with a maturity date of 1 January 2012.

The historical information has been extracted from the audited financial statements of the Company for the financial years ended 30 June 2009 and 30 June 2010. Full copies of those consolidated financial statements are available for viewing and download from the NSX and the Company's website.

11.3 PROPOSED ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A summary of significant accounting policies which have been adopted in the preparation of the Pro Forma consolidated Statement of Financial Position set out in Section 11.2 of this Prospectus, and which have been and will be adopted and applied in the preparation of the financial statements of the Company as at 30 June 2009 and 30 June 2010 and subsequent financial years are as follows.

11.3.1 BASIS OF ACCOUNTING

The financial information has been prepared in accordance with the measurement and recognition requirements, but not all of the disclosure requirements of the Corporations Act 2001 including applicable Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations for the presentation of financial information for inclusion in a Prospectus in Australia. The financial statements of the Company comply with AIFRS interpretations and other applicable financial reporting standards. In the view of the Directors of the Company, the omitted disclosure would provide no further relevant information to potential investors.

11.3.2 BALANCE DATE

The balance date of the Company is 30 June in each year and the accounts will be prepared for the year as at that date.

11.3.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet. The impact of the pro-forma adjusting entries on the balance of cash and cash equivalents is reflected in the chart below:

| | Audited 30 June 2009 \$ | Audited 30 June 2010 \$ | Pro-forma Consolidated Minimum Subscription \$ | Pro-forma Consolidated Maximum Subscription \$ |
|--|-------------------------------|-------------------------------|--|--|
| Cash | | | | |
| Cash and cash equivalents | (2,028) | 35,169 | 35,169 | 35,169 |
| Convertible note proceeds | - | - | 345,000 | 345,000 |
| Proceeds from issue of shares following the offer | - | - | 3,000,000 | 5,000,000 |
| Less: payment of cash component of the offer costs | - | - | (353,500) | (483,500) |
| Less: payment to Renison for Land | - | - | (125,000) | (125,000) |
| Less: payment to Augur Resources Ltd | - | - | (15,000) | (15,000) |
| Less: payment to Jaguar Minerals Ltd | - | - | (100,000) | (100,000) |
| | (2,028) | 35,169 | 2,786,669 | 4,656,669 |

11.3.4 TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts owing from fees and expenses paid on behalf of related parties and GST receivable balances. Due to the short-term nature of the above receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

Of the balance reflected in the Statement of Financial Position, as at 30 June 2010, \$46,236 is due from related parties.

11.3.5 FINANCIAL ASSETS

Financial assets represent listed and unlisted resource based investments.

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sales of the assets (ie Trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expenses to profit or loss immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing

involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carry value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In order circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition
- (b) less principal repayments
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (d) less any reduction for impairment

The effective interest method is used to allocate interest income or interest expenses over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payment or receipts (including fees, transaction costs, and other premiums or discounts) through the expected life (or then this can not be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expenses in profit or loss.

Distributions relating to listed securities are recognised as income when those securities are quoted in the market on an “ex-distribution” basis. Distributions relating to unlisted securities are recognised as income when received.

11.3.6 PROPERTY PLANT AND EQUIPMENT

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on

periodic, but at least triennial, valuations by external independent values, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the assets original cost is transferred from the revaluation surplus to retained earnings.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

The depreciable amount of all fixed assets including capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are 5-33% for plant and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The impact of the pro-forma adjusting entries on the balance of property, plant and equipment is reflected in the chart below:

| | Audited 30 June 2009 \$ | Audited 30 June 2010 \$ | Pro-forma Consolidated Minimum Subscription \$ | Pro-forma Consolidated Maximum Subscription \$ |
|--|-------------------------------|-------------------------------|--|--|
| Property, Plant and Equipment (PPE) | | | | |
| <i>Land</i> | - | - | 125,000 | 125,000 |
| <i>Plant and equipment</i> | 16,625 | 9,004 | 9,004 | 9,004 |
| Total PPE | 16,625 | 9,004 | 134,004 | 134,004 |

11.3.7 OTHER NON-CURRENT ASSETS AND DEVELOPMENT EXPENDITURE

Other non-current assets include the company's interests in the 4 exploration licences described in section 4 of this Prospectus.

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon that area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

The impact of the pro-forma adjusting entries on the balance other non-current assets is reflected in the chart below:

| | Audited 30 June 2009 \$ | Audited 30 June 2010 \$ | Pro-forma Consolidated Minimum Subscription \$ | Pro-forma Consolidated Maximum Subscription \$ |
|---------------------------------------|-------------------------------|-------------------------------|--|--|
| Other Non-Current Assets | | | | |
| Exploration Expenditure | 370,450 | 527,307 | 527,307 | 527,307 |
| Tenement acquisitions | | | | |
| Weelah – EL 6309 | - | - | 45,000 | 45,000 |
| Springfield – EL 5991 | - | - | 300,000 | 300,000 |
| Total Other Non-Current Assets | 370,450 | 527,307 | 872,307 | 872,307 |

11.3.8 TRADE AND OTHER PAYABLES

Trade and other payables include amounts owing to consultants and other professional service providers. Of the amount payable at 30 June 2010, \$113,850 is payable to Directors and key management personnel.

11.3.9 NON-CURRENT LIABILITIES

The non-current liabilities of the Company are the debt component of convertible notes issued in December 2010, all of which have a common maturity date of 1 January 2012 (the terms of which as summarised in Section 14.4 of this Prospectus).

The impact of the pro-forma adjusting entries on the balance of non-current liabilities is reflected in the chart below:

| | Audited 30 June 2009 \$ | Audited 30 June 2010 \$ | Pro-forma Consolidated Minimum Subscription \$ | Pro-forma Consolidated Maximum Subscription \$ |
|--------------------------------|-------------------------------|-------------------------------|--|--|
| Non-Current Liabilities | | | | |
| Convertible Notes | - | - | 258,750 | 258,750 |
| Total Liabilities | - | - | 258,750 | 258,750 |

11.3.10 EQUITY

The Company has 20,741,426 Ordinary Shares on issue as at the date of this Prospectus. All shares currently on issue are fully paid up. Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up if the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Share capital in respect of ordinary shares is recognised at the fair value of the consideration received by the Company. Any transaction costs arising from the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

The Company has 8,985,000 Options as at the date of this Prospectus prior to any pro-forma adjustments. The fair value of the Broker Options issued in accordance with this Prospectus has been calculated by an independent valuer. The fair values of these Broker Options were determined based on the assumption they will be subject to a 2 year escrow period. (the terms of which as summarised in Section 14.4 of this Prospectus).

The Company has 1,725,000 convertible notes on issue as at the date of this Prospectus (the terms of which as summarised in Section 14.3 of this Prospectus).

The impact of the pro-forma adjusting entries on the balance of equity is reflected in the chart below:

| | Audited 30 June 2009 \$ | Audited 30 June 2010 \$ | Pro-forma Consolidated Minimum Subscription \$ | Pro-forma Consolidated Maximum Subscription \$ |
|--------------------------------------|-------------------------------|-------------------------------|--|--|
| Equity | | | | |
| Initial issued capital | 674,720 | 1,226,036 | 1,226,036 | 1,226,036 |
| Convertible note issue | - | - | 86,250 | 86,250 |
| New share issue | - | - | 3,000,000 | 5,000,000 |
| Shares issued to Augur Resources Ltd | - | - | 30,000 | 30,000 |
| Shares issued to Jaguar Minerals Ltd | - | - | 200,000 | 200,000 |
| Less: costs of offer | - | - | (424,209) | (589,564) |
| Final issued capital | 674,720 | 1,226,036 | 4,118,077 | 5,952,722 |
| Share Option Reserves | 6,900 | 6,900 | 77,609 | 112,964 |
| Accumulated Losses | (194,866) | (734,926) | (734,926) | (734,926) |
| Total equity | 486,754 | 498,010 | 3,460,760 | 5,330,760 |

11.3.11 INCOME TAX

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where

11.3.12 IMPAIRMENT OF ASSETS

At each reporting date, The company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, The company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

11.3.13 EQUITY SETTLED COMPENSATION

Shares and options issued to employees as part of a share-based compensation arrangement are recognised as an employee expense with a corresponding increase in equity. The cost of these

equity settled transactions with employees is measured by reference to the fair value of the shares or options at the date at they are granted and is recognised over the vesting period of the equity instrument.

Shares or options issued to other suppliers in return for goods and services provided are measured at the fair value of the goods/services provided or, if the fair value of the goods or services cannot be estimated reliably, at the fair value of the equity instruments granted.

11.3.14 GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

11.4 DIVIDEND POLICY

The Company may pay dividends to shareholders from the earnings generated from its operating activities to the extent permitted by law and in accordance with prudent business practices. Such dividends will be franked to the extent that available imputation credits permit.

The Company does not presently intend to pay a dividend. It is not anticipated that the Company will pay a dividend in the future if at all.

11.5 CONTROLLED ENTITIES

At this time the Company has one controlled entity, Warrinen Pty Ltd (ACN 121 308 530). Warrinen Pty Ltd has no assets, liabilities or operations.

11.6 CONTINGENT LIABILITIES

Except as set out in this Prospectus, the Directors are not aware of any contingent liabilities of the Company.

11.7 NO LITIGATION

At the date of this Prospectus the Company is unaware of any actual or threatened litigation against the Company.

11.8 MATERIAL TRANSACTIONS

All of the Company's material transactions are detailed in this Prospectus and reflected in the Statement of Financial Position. The Company has entered into a number of material contracts that are set out in Section 13 of this Prospectus and transactions with a related party, Meridien Capital that is disclosed in Section 14.14 of this Prospectus.

11.9 CAPITAL COMMITMENTS

In order to maintain current rights of tenure to its exploration permits, the Company has certain obligations to perform work in accordance with the work programmes, as approved by the relevant statutory body, when the permits are granted. These work programmes form the exploration commitment which may be renegotiated, varied between permits, or reduced due to farm-out, sale, reduction of exploration area and/or relinquishment of non-prospective permits. Work in excess of the work programmes may also be undertaken.

The following table summarises the minimum annual expenditure required to maintain the 4 exploration licences detailed in Section 4 of this Prospectus.

| Exploration Licence | \$ |
|----------------------------|----------------|
| Lucky Draw (EL 6810) | 5,000 |
| Mt David (EL 5242) | 100,000 |
| Springfield (EL 5991) | 54,500 |
| Weelah (EL 6309) | 80,000 |
| TOTAL | 239,000 |

The minimum expenditure in respect of each of the 4 tenements is subject to review at the time of application for renewal with the Department of Primary Industries. These expenditure requirements have not been provided for in the accounts, however, they are included in the expenditure plans as outlined in Section 3.5 of this Prospectus.

Tenements Report

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hetherington

Exploration & Mining Title Services (Pty) Ltd
A.B.N. 55 000 100 100
www.hetherington.com.au

MERIDIEN RESOURCES LTD

INDEPENDENT EXPLORATION TENEMENTS REPORT

1. INTRODUCTION

1.1 Scope of Instructions

The following report has been prepared independently and in compliance with the Valmin Code.

Hetherington Exploration & Mining Title Services Pty Ltd ("HEMTS") has been instructed by Meridien Resources Ltd ("the Company") to conduct searches of and outline the rights conferred by the exploration tenements in which the Company instructs it has an interest in New South Wales, as set out in the attached Schedule ("the Schedule").

1.2 Qualifications

Russell Hetherington has approximately 33 years experience in exploration and mining tenement management across Australia. Russell Hetherington is a member of the Australian Mining and Petroleum Law Association and a member of the Business Law Section of the Law Council of Australia.

1.3 Independence

HEMTS is independent from the Company within the meaning of the Valmin Code. HEMTS's costs of preparing this report have been calculated at its normal charge out rate.

2. COMMENTARY ON THE TENEMENTS

2.1.1. General

Unless otherwise stated, the following information has been obtained from the New South Wales Department of Industry and Investment ("the Department"), the National Native Title Tribunal ("NNTT"), the New South Wales State Heritage Register and the Aboriginal Heritage Information Management System ("AHIMS").

Much of the information obtained from the Department has been obtained from the Department's Tenement Administration System ("TAS"). This report is subject to the proviso that TAS may contain errors and is not always reliable. Where possible, the information obtained from TAS has been verified against other available information, such as Exploration Licence instruments, electronic maps, etc.

The exploration tenements are comprised of Exploration Licences No's 5242(1992) ("EL 5242"), 5595(1992) ("EL 5595"), 6309(1992) ("EL 6309") and 6810(1992) ("EL 6810") (together referred to as "the Tenements").

The Tenements have been granted pursuant to the terms of the New South Wales Mining Act 1992 ("the Mining Act").

Basic details of the Tenements are set out in the Schedule.

HEMTS
101 Hetherington Road, 17th Floor
(Corner Pitt & Darling Streets)
Sydney NSW 2000
P.O. Box 101, Hetherington, NSW 2000
Tel: 002 9957 0000
Fax: 002 9957 0001
Email: info@hetherington.com.au

HEMTS/VAL
John R. Hetherington, J.R. Hetherington
Sydney NSW 2000
Tel: 002 9957 0000
George Street Four Star Sydney (G.S. 400)
Tel: 002 9957 0000
Fax: 002 9957 0001
Email: val@hetherington.com.au

HEMTS
101 Hetherington Road
(Corner Pitt & Darling Streets)
Sydney NSW 2000
P.O. Box 101, Hetherington, NSW 2000
Tel: 002 9957 0000
Fax: 002 9957 0001
Email: info@hetherington.com.au

Jaguar Minerals Limited is the registered holder of EL 5242 and EL 5991. Augur Resources Ltd is the registered holder of EL 6309 and Meridien Resources Ltd is the registered holder of EL 6810.

The Tenements apply to Group 1 minerals, which are metallic minerals such as gold, silver, copper, iron minerals etc

The conditions of EL 5242, EL 5991 and EL 6309 allow exploration by all methods (although certain methods require additional approval by the Environment Branch of the Department or other Government instrumentalities).

The conditions of EL 6810 allow exploration by low-impact methods. A low-impact Exploration Licence is excluded from the "Right to Negotiate" process of the Native Title Act 1993 ("the NTA") and authorises only a limited range of prospecting operations (see Section 2.1.9 below).

The current term of EL 6309 has expired but the licence continues in force pending the determination of an application for renewal. Renewal has been sought over an unreduced area for a further period of two years. Details of special circumstances to support the renewal of EL 6309 without a reduction in area have been lodged with the Department (Section 114(6) Mining Act). In the event that the Department does not support the special circumstances submitted with the application for renewal, the application for renewal may be refused or more than likely, the holder of EL 6309 will be required to nominate a reduced area over which the renewal of EL 6309 might proceed (see Section 2.1.7 below).

2.1.2. Exclusions

The terms of the Exploration Licence instruments issued in respect to the Tenements exclude land vested in the Commonwealth of Australia and any land subject to a National Park, regional park, historic site, nature reserve, karst conservation reserve or Aboriginal area which existed at the date of grant.

Time does not permit an investigation into whether there is any land vested in the Commonwealth of Australia, historic site, nature reserve, regional reserve, karst conservation reserve or Aboriginal area, although it is considered unlikely that there are large areas of such land within the Tenements.

There are no areas of National Park affecting the Tenements.

There are no Mining Reserves affecting the Tenements

2.1.3. Other Titles and Applications

Mining Act

EL 5242

The land subject to EL 5242 partially overlaps Exploration Licence No 6323(1992) held by Bounty Resources Pty Limited for Group 2 and Group 3 minerals. Pursuant to the terms of the Mining Act, exploration rights for different minerals can co-exist. In the event of an operational conflict between the overlapping tenements, a party may apply to the Land and Environment Court for a determination of the matter (Section 293 Mining Act).

Petroleum (Onshore) Act 1991 (NSW) ("The Petroleum Act")

EL 5991

The land subject to EL 5991 partially co-exists with Petroleum Exploration Licence No 456(1991), which is held by Macquarie Energy Pty Ltd. In the event of any operational conflict between the tenements, any party to the dispute may apply to the Land and Environment Court for a determination of the matter (Section 73 Petroleum Act).

Furthering Prospects

Exploration & Mining Title Services Pty Limited

2.1.4. Encumbrances

The Company has lodged applications for registration of an equitable interest in respect to EL 5991, EL 5242 and EL 6309 pursuant to Section 161(2) of the Mining Act. The equitable interest claimed in respect to EL 5991 is pursuant to a Heads of Agreement dated 3 June 2010. The equitable interest claimed in respect to EL 5242 is pursuant to an Agreement dated 3 June 2010 and the equitable interest claimed in respect to EL 6309 is pursuant to a Heads of Agreement dated 3 December 2010.

The Director-General may, if satisfied that the applicant holds the interest concerned, register the document by which the legal or equitable interest is evidenced pursuant to Section 161(4) of the Mining Act.

2.1.5. State Forests and State Conservation Areas

Approximately 20.1 per cent of the EL 5242 area is subject to the Dog Rocks State Forest and Mount David State Forest.

Approximately 12 per cent of the EL 6309 area is subject to the Weelah State Forest, Manna State Forest and Nerang Cowl State Forest.

Approximately 29.9 per cent of the EL 6810 area is subject to the Mount David State Forest.

State Forests are not excluded from Exploration Licences, but exploration activities within State Forests are subject to specific requirements.

Forests NSW is a public trading enterprise within the New South Wales Department of Primary Industry, and is a "landholder" for the purposes of the Mining Act. It is therefore necessary to enter into an access agreement with Forests NSW before commencing prospecting in a State Forest (Section 140 Mining Act).

State Forests are exempted areas for the purposes of Section 30 of the Mining Act. This provision requires the consent of the Minister for Mineral and Forest Resources before carrying out exploration activities within exempted areas. Such consent would entail environmental assessment by the Department of the proposed exploration. It would also be expected that such consent would be granted only in consultation with Forests NSW and subject to the terms of an access agreement reached with Forests NSW.

State Conservation Areas are also exempted areas under the Mining Act. Pursuant to the requirements of Section 30 of the Mining Act and Section 47J(7) of the National Parks and Wildlife Act 1974 ("NPW Act"), the licence holder may not exercise rights pursuant to the licence within State Conservation Areas except with the consent of the Minister for Mineral and Forest Resources, given with the approval of the Minister for the Environment (see also Section 2.1.6 below). According to Department guidelines, a Review of Environmental Factors must also be prepared and submitted for approval at least 6 weeks prior to the commencement of any prospecting operations.

Dealing No 5 of EL 6309 refers to the grant on 5 September 2006 of a Section 30 consent to Augur Resources Limited by the Minister for Mineral Resources to allow the drilling of 33 rotary airblast drillholes, 19 within Weelah State Forest and 17 within Nerang Cowl State Forest.

2.1.6. Exploration Licence Conditions

(EL 5242, EL 5991 and EL 6309)

The conditions attached to the Exploration Licence instruments relate to environmental management of exploration, drilling requirements, reporting requirements, expenditure commitments, clearing of vegetation, rehabilitation of disturbed land and lodgement of security deposits.

The Exploration Licence instruments for EL 5242 and EL 5991 also contain a condition relating to Native Title (see Section 2.1.9 below).

In addition to the foregoing, Condition No 48 of EL 5242 provides that the licence holder must rehabilitate to the satisfaction of the Department any areas disturbed by operations carried out under former Exploration Licence No. 4810(1992) ("EL 4810") and must lodge any reports required in connection with that licence. Michelago Resources NL was a previous holder of EL 5242 and EL 4810. Whilst EL 5242 has been granted over former EL 4810, the inclusion of Condition No 48 in EL 5242 would suggest that the Department included Condition No 48 in the EL 5242 licence instrument to ensure any outstanding rehabilitation work in respect to exploration activities previously conducted upon EL 4810 would be completed after EL 4810 was cancelled.

EL 6810

Low-impact Exploration Licences are excluded from the "Right to Negotiate" process of the NTA but authorise only a limited range of prospecting operations (see Section 2.1.9 below).

The conditions attached to the EL 6810 licence instrument relate to authorised prospecting methods, environmental management of exploration activities, access, drilling and core sampling requirements, rehabilitation of disturbed land, safety requirements, interference with infrastructure and utilities, clearing of trees and vegetation, prevention of erosion and pollution, coastal wetlands, water use, preservation of aboriginal objects or places, expenditure and reporting requirements, maintenance of security and exercise of rights within State Conservation Areas.

2.1.7. Expenditure and Reporting Requirements

Compliance with the expenditure and reporting requirements of an Exploration Licence is important because those matters are considered by the Department when determining whether or not to renew that Exploration Licence, and if so, whether to renew the Exploration Licence in full, or to require a reduction in the Exploration Licence area upon renewal.

The Department advises that all reporting obligations have been met in respect to EL 5309, EL 5242 and EL 5991. The Department advises that no interim reports have been submitted in respect to EL 6810. All annual reports due in respect to EL 6810 have been submitted to the Department.

The Department also advises that the expenditure commitments attached to EL 5242 and EL 5991 have not been met. The expenditure commitments in respect to EL 5309 and EL 6810 have been met.

The current annual expenditure commitment for each of the Exploration Licences is noted in the Schedule.

2.1.8. Access and Compensation

It is necessary to enter into a written access agreement with the landholder prior to carrying out exploration on land which is owned or occupied. A landholder is entitled to compensation for all compensable loss caused to such land by exploration (Section 263(1) Mining Act). In the event that an agreement cannot be reached with the landholder, the matter can be referred to arbitration, and if not resolved, to the Land and Environment Court for determination.

It is necessary for the holder of an Exploration Licence to obtain the prior written consent of the owner of any dwelling house, garden or improvement before carrying out exploration within 200 metres of the relevant dwelling house, within 50 metres of the relevant garden or on the land subject to the relevant improvement (Section 31 Mining Act).

In addition to the above, the holder of EL 6810, which is a low-impact Exploration Licence, is not authorised to carry out prospecting operations on land where Native Title has not been extinguished, otherwise than in accordance with an access arrangement with any registered Native Title body corporate or registered native title claimants (see Section 2.1.9 below).

2.1.9. Native Title

The total area of EL 5991 is subject to the Wellington Valley Native Title Claim NC09/4.

The total area of EL 5242 and the total area of EL 6810 are subject to the Gundungurra Tribal Council Aboriginal Corporation #6 Native Title Claim NC97/7.

The land subject to EL 6309 is not affected by any Native Title Claim.

The issue of whether or not a Native Title Claim applies to the land subject to the Tenements is irrelevant to the requirement to comply with the Native Title processes prescribed by the NTA if the relevant land is land where Native Title exists or may exist ("Native Title land"). The threshold question when considering Native Title issues is therefore whether or not the relevant land is Native Title land or, in other words, whether or not Native Title has been extinguished. If Native Title has been extinguished, then it is not necessary to consider whether or not there is a Native Title Claim in respect to the relevant land before carrying out exploration.

If Native Title has not been extinguished, then it will (except in very specific circumstances) be necessary to comply with Native Title processes before carrying out exploration. The presence of a registered Native Title Claim simply means that it will be necessary to reach an agreement with the Native Title Claimants before proceeding with the relevant exploration activity. This may not be the case where there is currently no registered Native Title Claim, although in that case it is still necessary to undergo the "Right to Negotiate" process prescribed by the NTA or other Native Title process.

As a general statement, it can be said that Native Title has been extinguished in much of New South Wales. Nonetheless, it is likely that all of the Tenements contain at least some Crown land. The status of any Native Title in land cannot be determined with certainty until a thorough search of each parcel of land is carried out. Such searches are beyond the scope of this report.

Currently EL 5991 and 5242 contain the "Minister's consent" condition. This means that before carrying out exploration on Native Title land, the Minister's consent must be obtained. The Minister will not grant that consent until the "Right to Negotiate" process prescribed by the NTA has been undergone. EL 6810 and EL 6309 do not contain the "Minister's consent" condition.

EL 6309

The "Right to Negotiate" process prescribed by the NTA has been completed in respect to EL 6309. As a result, no Native Title Claims were registered and therefore EL 6309 does not contain the "Minister's consent" condition.

EL 5242

The "Right to Negotiate" process prescribed by the NTA has been completed in respect to EL 5242. In accordance with Section 31 of the NTA, a Deed was signed by the Native Title party, the holder of EL 5242 at that time and the Minister on behalf of the Government on 23 October 2001. As a result, the Department granted consent to prospect on Native Title Land on 10 April 2002.

It is to be noted that EL 5242 still contains the "Minister's consent" condition in respect to prospecting on Native Title land. The Department has confirmed that it is normal procedure to exclude the "Minister's consent" condition subsequent to the "Right to Negotiate" process being successfully completed. Notwithstanding that the "Minister's consent" condition is still contained in the conditions of EL 5242, the Department has advised that the "Minister's consent" condition is taken to be satisfied. Upon renewal of EL 5242, the "Minister's consent" condition should be removed from a resulting Instrument of Renewal.

This company has undertaken investigations to determine whether a Project Consent Deed dated 28 August 2001 between the then holder of EL 5242, Herald Resources Limited and the Native Title claimant was assigned to Jaguar Minerals pursuant to the terms of that Deed, thereby giving consent to prospecting activities to occur upon Native Title Land within EL 5242. Investigations returned no

information to confirm that a Deed of Assignment or similar transferring agreement was entered into between Jaguar Minerals Limited and the Native Title party. As a result, consent of the Native Title party will need to be obtained before prospecting operations can occur upon any areas of Native Title land within EL 5242.

EL 6810

As a low-impact Exploration Licence, EL 6810 is excluded from the "Right to Negotiate" process prescribed by the NTA. This means that subject to obtaining an access arrangement with any registered Native Title body corporate or registered Native Title claimants, prospecting operations authorised by the low-impact Exploration Licence may be conducted on land where Native Title has not been extinguished.

The access arrangement must address matters specified in Section 26A(7) of the NTA. These matters include the protection and avoidance of any area or site on the land or waters to which Native Title rights and interests relate, access to the land or waters to which Native Title rights and interests relate and the way in which any act that affects Native Title rights and interests is done.

Prospecting operations authorised by a low-impact Exploration Licence include aerial surveys, geological and surveying field work that does not involve clearing, sampling by hand methods, ground-based geophysical surveys that do not involve clearing, drilling and activities associated with drilling and the establishment of a drill site, that do not involve clearing or excavation, other than the minimum necessary to establish a drill site and environmental field work that does not involve clearing.

The holder of EL 6810 may apply for a variation of the prospecting operations authorised under the Exploration Licence to allow for other kinds of prospecting operations. Any variation would apply to the whole of the licence area and if approved, the Exploration Licence would cease to be a low-impact Exploration Licence. The "Right to Negotiate" process prescribed by the NTA would apply to any proposed variation of EL 6810.

2.1.10. Aboriginal Places and Objects

An Aboriginal object is any material evidence relating to Aboriginal habitation of an area. An Aboriginal place is a place declared as such by the Minister administering the NPW Act, because that place is deemed to have special significance to Aboriginal culture. An Aboriginal place may or may not contain Aboriginal objects.

Aboriginal places and objects are registered on AHIMS at the Department of Environment, Climate Change and Water. A search of AHIMS indicates that there are several places and objects located within or in close proximity to the Tenements.

Pursuant to Section 86(2) and (4) of the NPW Act, it is a strict liability offence to harm an Aboriginal object, or harm or desecrate an Aboriginal place. It is also an offence to harm or desecrate an Aboriginal object that the person knows is an Aboriginal object pursuant to Section 86(1) of the NPW Act. It may be necessary to apply for an Aboriginal Heritage Impact Permit ("AHIP") if the activities contemplated in exercising rights under the Tenements are likely to cause damage to Aboriginal objects or places. The prohibitions contained in Section 86(1), (2) and (4) apply whether or not the Aboriginal place or Aboriginal object has been registered on the AHIMS.

A defence is available to a person charged with a strict liability offence pursuant to Section 87 of the NPW Act. Pursuant to Section 87(2) of the NPW Act, the defendant must show that the defendant exercised due diligence to determine whether the act or omission constituting the alleged offence would harm an Aboriginal object, and reasonably determined that no Aboriginal object would be harmed.

It should be emphasised that the issue of Aboriginal places and objects is entirely separate to that of Native Title.

2.1.11. Heritage Sites

There are a number of items listed on the State Heritage Inventory in respect to the local government areas in which the Tenements are located. Whilst the geographical location of some entries on the State Heritage Inventory is unclear, the Company must exercise normal caution when carrying out exploration. If the Company comes across what may be a heritage item in the course of exploration, it should check with the local Shire Council and/or the New South Wales Heritage Council.

2.1.12. Future Obligations

The holder has an ongoing obligation to comply with the terms and conditions of grant of the Tenements, including satisfaction of the expenditure conditions, unless otherwise varied by the Department.

Rehabilitation of any current and future exploration disturbances will be necessary and will need to be conducted in accordance with the conditions of the Tenements, as well as any conditions of any additional consent that might be issued in accordance with the requirements of law or those conditions.

The activities conducted under the authority of the Tenements are likely to result in the creation of environmental liabilities for the holders. The environmental liabilities will commence when exploration causes on-site ground disturbance. When any disturbed area has been satisfactorily rehabilitated, the environmental liability in respect to that area will cease.

If exploration is conducted on Native Title land, additional costs in respect to making an application for the Minister's consent to conduct activities on Native Title land, the "Right to Negotiate", Native Title consultation, negotiation and compensation payments and cultural heritage site clearances should be anticipated.

The holders of the Tenements may apply to renew the Tenements for further terms. The renewal applications should be lodged between two months and the relevant expiry date (Section 113(2)(a) Mining Act).

The Mining Act requires the holder of the Tenements to periodically reduce by half the area of each of the Tenements. Pursuant to Section 114(5) of the Mining Act, the holder of the Tenements may make an application to the Department to vary these reduction requirements.



RUSSELL HETHERINGTON
30 November 2010

SCHEDULE

| Project/Task ID | Status | Project Name/Initiative | Start Date | End Date | Priority | Area Focus | Security | | Expenditure (Current Project FY) | Est. Completion (%) | Remarks |
|-----------------|--------|--------------------------|------------|------------|-----------------|------------|----------|-------------------|----------------------------------|---------------------|---------|
| | | | | | | | Approved | Alloc. | | | |
| IT-2024-001 | Active | Digital Mktg's Limited | 2024-01-01 | 31-03-2025 | Urgent | 45 | \$10,000 | \$15,000 (Alloc.) | \$8,000 | 75 | Group 1 |
| HR-2024-002 | Active | Human Resource's Limited | 2024-02-01 | 31-05-2025 | Urgent | 28 | \$5,000 | \$7,500 (Alloc.) | \$4,000 | 60 | Group 1 |
| IT-2024-003 | Active | Support Resources's LTD | 2024-03-01 | 30-06-2025 | Normal/ Pending | 12 | \$3,000 | \$6,000 (Alloc.) | \$2,000 | 33 | Group 1 |
| IT-2024-004 | Active | Hardware Resources's LTD | 2024-04-01 | 30-09-2025 | Urgent | 5 | \$4,000 | \$8,000 (Alloc.) | \$1,500 | 19 | Group 1 |

⁽¹⁾ Member has lodged an application for registration of a consultative role with the Financial Services Section 1012 of the USA. If not, see A2.

(c) The Department considers this a voluntary request for E-6369 and we will offer Exemption 4, which is subject to the request.

Material Contracts

Each document below is a contract that is material to the operations and affairs of the Company and which prospective investors and their advisers would reasonably expect to be disclosed in this Prospectus to enable an informed decision to be made regarding the Offer. The information supplied is a summary only.

13.1 SPONSORING BROKER MANDATE

On 20 December 2010, the Company entered into a Sponsoring Broker Mandate with Dayton Way Financial under which Dayton Way Financial was appointed Sponsoring Broker to the Offer.

Under the Sponsoring Broker Mandate the Company will remunerate Dayton Way Financial as follows:

- (a) pay a commission of 6% of the funds raised under the Offer. The Company will also pay a commission of up to 10% (\$200.00) on funds that are raised from Applications for Shares of \$2,000. For Applications greater than \$2,000, commission of only 6% will be paid; and
- (b) options exercisable at \$0.25 expiring 3 years after the Company is admitted to the Official List as follows:
 - (i) if the Minimum Subscription is raised - 1,000,000 options;
 - (ii) if the Maximum Subscription is raised - 1,500,000 options; or
 - (iii) a pro-rata number between 1,000,000 options to 1,500,000 corresponding to the amount between the Minimum Subscription and Maximum Subscription that is raised.

The Sponsoring Broker reserves the right to terminate the Sponsoring Broker Mandate immediately if any one or more of the following events occur:

- (a) a material new circumstance has arisen since the Prospectus was lodged that would in the reasonable opinion of the Sponsoring Broker have been required by sections 710 or 711 of the Corporations Act to be included in the Prospectus if it had arisen before the Prospectus was lodged;
- (b) any material adverse change occurs in the financial position of the Company or any subsidiary;
- (c) any Director or officer of the Company named in the Prospectus dies or is charged with or convicted of an indictable offence;

- (d) any material statement in the Prospectus is found to be or becomes misleading or deceptive or there is found to be a material omission from the Prospectus of material required by sections 710 or 711 of the Corporations Act;
- (e) any person who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (f) any information supplied at any time by the Company or any person on its behalf to the Dayton Way Financial in respect of any aspect of the Offer is or becomes false or misleading;
- (g) any of the results of investigations of the Company or of any subsidiary conducted pursuant to the Company's due diligence program and verification material is or becomes false or misleading;
- (h) any material contravention by the Company or an officer of any of them of any provision of the Corporations Act, or the ASX Listing Rules or any requirement of ASX or the ASIC or any governmental agency;
- (i) a resolution is passed or an order made by a court of competent jurisdiction for the winding up of the Company or any subsidiary.
- (j) a receiver or receiver and manager is appointed to all or any part of the assets or undertaking of the Company or any subsidiary;
- (k) the Company or any subsidiary enters into any scheme of arrangement with its creditors or any class of them or indicates its intentions to do so;
- (l) the Company or any subsidiary suspends payments of its debts or is unable to pay its debts within the meaning of the Corporations Act;
- (m) the Company or any subsidiary is placed under official management or an official manager is appointed;
- (n) a liquidator or provisional liquidator is appointed to the Company or any subsidiary;
- (o) an inspector is appointed pursuant to the Corporations Act to investigate all or any part of the affairs of the Company or any subsidiary;
- (p) the Company or any party having power to do so appoints a voluntary administrator to the Company or any subsidiary or any part of the business or asset of the Company becomes subject to any form of administration;

- (q) that all mining, exploration or prospecting rights, leases and tenements referred to in the Prospectus are not current and not all conditions attached thereto and payments due on them have been satisfied; or
- (r) the COMEX (United States Commodities Exchange) quoted gold price falls below US\$1,000 for five consecutive days.

13.2 HEADS OF AGREEMENT WITH JAGUAR MINERALS - SPRINGFIELD

Jaguar Minerals is the registered holder of EL 5991. On 3 June 2010, the Company entered into a heads of agreement with Jaguar Minerals in relation to EL 5991 (**Springfield Heads of Agreement**). The Springfield Heads of Agreement provides for the Company to acquire an option to purchase 80% of EL 5991 for the consideration of \$35,000, comprising:

- (a) \$10,000 cash; and
- (b) \$25,000 exploration expenditure.

The option is exercisable on payment by the Company of a further \$300,000, comprising:

- (c) \$100,000 cash; and
- (d) 1,000,000 ordinary shares in the Company, being \$200,000 in value of ordinary shares in the Company based on the issue price of 20 cents per share under the Offer.

Each of the cash payments above is exclusive of GST.

On 3 December 2010, Jaguar Minerals and the Company agreed to extend the option period until 2 March 2011. Following exercise of the option the Company and Jaguar Minerals will negotiate in good faith to execute a formal joint venture agreement in relation to EL 5991.

The Springfield Heads of Agreement provides that should Meridien exercise the option, Jaguar Minerals' will be free carried to feasibility in respect of its 20% interest in EL 5991. If Jaguar Minerals' interest falls below 5%, then its interest will be converted to a 1.5% Net Smelter Royalty.

The Springfield Heads of Agreement will terminate if:

- (a) the \$25,000 exploration expenditure has not been expended by 2 March 2011;
- (b) the \$100,000 cash payment and issue of \$200,000 worth of the Company's shares are not made to Jaguar Minerals by 2 March 2011;
- (c) the Company gives notice of termination to Jaguar Minerals; or

- (d) the Company is in breach of the Springfield Heads of Agreement and the breach is not rectified within one calendar month of notification by Jaguar Minerals of such breach.

13.3 FARMIN AGREEMENT WITH JAGUAR MINERALS - MT DAVID

Jaguar Minerals is the registered holder of EL 5242. On 3 June 2010, the Company entered into a farmin agreement with Jaguar Minerals in relation to EL 5242 (**Mt David Farmin Agreement**). The Mt David Farmin Agreement provides that the Company may acquire:

- (a) a 20% interest in EL 5242 if it commits \$60,000 exploration expenditure by 26 June 2011;
- (b) an additional 25% interest by incurring an additional \$100,000 of exploration expenditure by 26 February 2012; and
- (c) a further 15% interest by incurring a further \$100,000 of exploration expenditure by 26 February 2013.

Each of the cash payments described above is exclusive of GST.

The Mt David Farmin Agreement also requires the Company to incur at least \$40,000 in exploration expenditure by 26 June 2010. This date has been extended to 2 June 2011.

After 3 October 2011, the parties may also enter into a detailed formal joint venture agreement in relation to EL 5242.

If Jaguar Minerals' interest falls below 5% then its interest will be converted to a 3% Net Smelter Royalty.

The Mt David Farmin Agreement will terminate if:

- (a) the Company fails to incur at least \$40,000 in exploration expenditure by 2 June 2011;
- (b) the Company gives 20 business days notice in writing to Jaguar Minerals, provided that the Company has paid any amounts it has elected to contribute under the Mt David Farmin Agreement, and EL 5242 is in good standing with the NSW Department of Primary Industries;
- (c) the Company's or Jaguar Minerals' interest is reduced to less than 5%; or
- (d) the parties terminate by mutual agreement.

13.4 HEADS OF AGREEMENT WITH AUGUR RESOURCES – WEELAH

Augur Resources is the registered holder of EL 6309. On 3 December 2010, the Company entered into a heads of agreement with Augur Resources in relation to EL 6309 (**Weelah Heads of Agreement**). The Weelah Heads of Agreement provides that in consideration of a cash payment of \$5,000, the Company acquired an option to purchase 80% of EL 6309 exercisable on payment of a further \$40,000, comprising:

- (a) \$10,000 cash; and
- (b) 150,000 ordinary shares in the Company, being \$30,000 in value of ordinary shares in the Company based on the issue price of 20 cents per share under the Offer.

Each of the cash payments described above is exclusive of GST.

Should the option be exercised, at the end of the option period, the Company and Augur Resources will negotiate in good faith to execute a formal joint venture agreement in relation to EL 6309.

The Weelah Heads of Agreement will terminate if:

- (a) the \$40,000 transfer payment is not made by 2 June 2011;
- (b) the Company notifies Augur Resources at any time of such termination; or
- (c) the Company is in breach of the Weelah Heads of Agreement and the breach is not rectified within one calendar month of notification by Augur Resources of such breach.

13.5 MICHAEL IVKOVIC EMPLOYMENT AGREEMENT

The Company has entered into an employment agreement with Mr Michael Ivkovic, the Company's Managing Director.

The agreement provides for an initial 24 month term commencing on 17 December 2010 with automatic 6 month renewal unless otherwise terminated. Mr Ivkovic will receive remuneration at the rate of \$120,000 per annum plus 10% superannuation. In addition, the Company may from time to time pay Mr Ivkovic an annual bonus of to 50% of his annual remuneration, subject to Mr Ivkovic's achievement of performance targets set by the Board from time to time.

The agreement is on normal commercial terms and provides for the payment of a total remuneration package which is commensurate with remuneration packages offered to managing directors of public companies of a similar size and industry grouping as the Company.

13.6 PROPOSAL WITH LYCOPODIUM

The Company proposes to engage Lycopodium Minerals to undertake a concept study to identify viable treatment options for the re-treatment of the Lucky Draw tailings dam. It is proposed that the Company enter into this agreement following completion of the capital raising contemplated by this Prospectus.

13.7 PROPOSAL WITH RW CORKERY & CO

The Company proposes to engage RW Corkery & Co to act as the Company's environmental impact consultant in respect of the Lucky Draw tailings dam. It is proposed that the Company enter into this agreement following completion of the capital raising contemplated by this Prospectus.

13.8 MEMORANDUM OF UNDERSTANDING WITH PYBAR MINING SERVICES

On 30 August 2010 the Company and PYBAR Mining Services executed a Memorandum of Understanding (**PYBAR MOU**). The PYBAR MOU provides that the Company and PYBAR establish a strategic alliance for the completion of scoping and feasibility studies for the exploitation of EL 6810 including the area covered by the Lucky Draw Tailings Dam, EL 5991 at Springfield and EL 5242 at Mt David.

The PYBAR MOU also contemplates that:

- (a) PYBAR will be appointed as the project manager at EL 6810;
- (b) PYBAR will be remunerated by receipt of a share of net operating income and/or a direct shareholding in the Company; and
- (c) PYBAR and the Company may incorporate a 50/50 owned company which may be used as the vehicle for the purchase of a second-hand plant for processing tailings in the area of EL 6810.

It is proposed that the Company enter into a formal agreement with PYBAR Mining Services following completion of the capital raising contemplated by this Prospectus.

13.9 LETTER OF APPOINTMENT WITH CHRIS SYLVESTER

Chris Sylvester has been engaged to provide geological consultancy services to the Company and to act as a member of the Technical Committee. Mr Sylvester has been engaged for a 12 month term and will receive \$25,000 plus GST per annum and will be reimbursed for reasonable out-of-pocket expenses incurred in providing his services.

13.10 LETTER OF APPOINTMENT WITH CHARLES STRAW

Charles Straw has been engaged to provide geological consultancy services to the Company and to act as a member of the Technical Committee. Mr Straw has been engaged for a 12 month term and will receive \$25,000 plus GST per annum and will be reimbursed for reasonable out-of-pocket expenses incurred in providing his services.

13.11 DIRECTORS' INDEMNITY

To the extent permitted by law and without limiting the powers of the Company, the Company must indemnify each person who is and has been an officer of the Company against any liability which results from facts or circumstances relating to the person serving or having served in that capacity, provided that it does not arise out of conduct involving a lack of good faith, for costs and expenses incurred by the person defending proceedings in which judgment is given in favour of the person or in which the person is acquitted or in connection with an application in which the Court grants relief to the person under the law.

As permitted by the Constitution, the Company has entered into a deed of indemnity and access with each Director. The indemnity is subject to restrictions prescribed in the Corporations Act.

In summary the deed:

- (a) indemnifies a Director, while he is a Director and for seven years thereafter, against liabilities incurred as a result of acting as a Director subject to certain exclusions and provides for related legal costs to be paid by the Company;
- (b) requires the Company to use its best endeavours to put in place and to maintain an insurance policy against any liability incurred by a Director in his capacity as a Director;
- (c) provides that any Director can access independent professional advice if felt necessary for the conduct of his duties; and
- (d) provides a Director with a right of access to Board papers and other documents while in office and for 7 years thereafter.

As at the date of this Prospectus, the Directors have resolved to not take out any directors' and officers' insurance and will rely on the deed of indemnity, access and insurance with the Company.

Additional Information

14.1 CONSTITUTION

The Constitution governs the Company. Copies of the Constitution are available for inspection during normal business hours at the Company's registered office.

14.2 SHARE - RIGHTS AND LIABILITIES

The following is a summary of the provisions of the Constitution governing the rights and liabilities that attach to Shares.

The Shares are presently listed on NSX trading under the NSX Code MRW. The Shares are fully paid ordinary shares which will rank equally with all other shares on issue from the date of issue and are the same class of the Shares as those listed on NSX.

This summary is not exhaustive nor does it constitute a definite statement of the rights and liabilities of the Company's members. To obtain such a statement, Applicants should seek independent legal advice.

Ranking

The Shares are fully paid ordinary shares and will rank equally in all respects with the existing Shares in the Company.

Partly Paid Shares and Liability for Calls

The Company has no partly paid shares on issue.

Reports and Notices

Members are entitled to receive all notices, reports, accounts and other documents required to be furnished to members under the Constitution, the Corporations Act and the Listing Rules.

General Meetings

Members are entitled to be present in person, or by proxy, attorney or representative to vote at general meetings of the Company. Members may requisition general meetings in accordance with the Corporations Act and the constitution of the Company.

Voting

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at the present time there are none) at a general meeting of the Company every ordinary member present in person, or by proxy, attorney or representative shall on a show of hands have one vote and upon a poll every member present in person or by proxy, attorney or representative has one vote for every share held. A qualification to the above is that where a person is present at a meeting as proxy or representative for more than one member then on a show of hands that person shall have only one vote and not one vote for each person represented by him. That vote will be taken as having been cast for all the members the person represents and the person must not exercise that vote in a way which

would contravene any directions given to the person in accordance with any instrument appointing the person as proxy or attorney.

A member who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to the proportion that the amount paid-up bears to the total issue price of the share. Amounts paid or credited as paid in advance of a call are ignored when calculating the fraction.

Dividends

The Directors may declare and authorise the distribution, from the profits of the Company, of dividends to be distributed to members according to their rights and interests.

Winding Up

Subject to any special or preferential rights attaching to any class or classes of shares, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the Shares held by them respectively, less any amount which remains unpaid on their Shares at the time of distribution.

Transfer of Shares

Subject to the constitution of the Company, the Corporations Act and the Listing Rules, the Shares will be freely transferable.

Future Increases in Capital

The allotment and issue of Shares is under the control of the Directors of the Company. Subject to restrictions on the allotment of Shares to Directors or their associates contained in the Listing Rules, the constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

Variation or Cancellation of Rights

- (a) Subject to the Listing Rules, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to shares in any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or cancelled by special resolution of the Company and:
 - (i) by special resolution passed at a meeting of the class of members holding shares in that class; or
 - (ii) with the written consent of members with at least 75% of the votes in the class.
- (b) The Company must give written notice of the variation or cancellation to the members of the class within seven days after the variation or cancellation is made.

14.3 OPTIONS TERMS AND CONDITIONS

The following Options are on issue or are to be issued:

| Category of Options | Number | Exercisable |
|---------------------|------------------------|---|
| Ordinary | 5,485,000 | On or before 31 October 2013 |
| Director | 375,000 | On or before 31 October 2013 |
| Founder | 3,125,000 | On or before 31 October 2013 |
| Broker | 1,000,000 to 1,500,000 | Options are to be issued following completion of the Offer and are exercisable on or before three years from the date of admission to the Official List of ASX. |

The terms of each of the Options are identical in all respects other than as stated below:

- (a) Each Option entitles the holder to subscribe for one Ordinary Share in the Company upon the payment of:
 - Ordinary, Director and Founder Options - \$0.20
 - Broker Options - \$0.25
- (b) The Options will lapse as follows:
 - Ordinary, Director and Founder Options - 5.00pm (AEST) on 31 October 2013
 - Broker Options - 5.00pm (AEST) on three years from the date of admission to the Official List of ASX.
- (c) The Options are transferable.
- (d) The Options will not be listed.
- (e) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Options.
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (g) The Options shall be exercisable at any time during the period ending on or before the Expiry Date ("Exercise Period") by the delivery to the registered office of the Company of a notice in writing ("Notice") stating the intention of the Option holder to exercise all or a specified number of options held by the Option holder accompanied by an Option Certificate or holding statement and a cheque made payable to the Company for the subscription moneys for the shares to be issued on exercise of the options the subject of the Notice. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the option holder to the balance of the options held by him.

- (h) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
- (i) The Shares allotted shall rank, from the date of allotment, equally with the existing Ordinary Shares of the Company in all respects.

14.4 TERMS OF CONVERTIBLE NOTES

The Company has 1,725,000 Convertible Notes on issue. A summary of the key terms of the Convertible Notes is set out below:

| | |
|----------------------------------|---|
| Issue Price | \$0.20 per Convertible Note |
| Term | The Convertible Notes will have a term ending on 1 January 2012 unless previously repaid or converted into Shares. |
| Interest Rate | 10% per annum on the Issue Price. |
| Interest Payments | Interest is payable quarterly in arrears on each Interest Payment Date. The first Interest Payment Date is 31 March 2011 with the first payment being accrued interest from the Issue Date to that date. Accrued interest will be paid in the event of early Conversion or Redemption. |
| Conversion by Note Holder | Each Convertible Note entitles the Note Holder to one Share (subject to any adjustment for bonus shares, rights issues and capital reconstructions). Upon conversion or redemption, Note holders will also be issued a bonus Share with a face value of \$0.20 at the rate of 1 bonus Share for every 3 Convertible Notes converted or repaid. |
| | Note Holders may elect to convert their Convertible Notes at any time from the Issue Date to the Expiry Date unless the Company proposes a merger by scheme of arrangement or a takeover bid (as defined in the Corporations Act) in which case the conversion period commences on the announcement of the merger or takeover bid. |
| Redemption | Any Convertible Notes not converted by the Maturity Date must be repaid by the Company at the Issue Price on the Maturity Date. The Company may not redeem the Convertible Notes. |
| Ranking | Until Conversion or Redemption, the Convertible Notes will be unsecured debt obligations of the Company and |

| | |
|-----------------------|---|
| | rank equally with other ordinary unsecured creditors of the Company in relation to repayment of principal and interest. The Convertible Notes will rank behind any secured creditors of the Company but will rank ahead of Shares. |
| | Each Share issued on Conversion will rank equally with all existing Shares then on issue, except that they will not be entitled to any dividend that has been declared or determined but not paid as a the Conversion Date. |
| Bonus Issues | If at any time after the Issue Date but before the Termination Date or Allotment Date, the Company makes a Bonus Issue and issues to the holders of Shares any Bonus Securities, then the Company must issue to the Noteholder Bonus Securities of the number which the Noteholder would have been entitled to receive by way of participation in the issue of Bonus Securities if it had Converted the Convertible Notes into Shares. |
| Reconstruction | If at any time after the Issue Date but before the Allotment Date, there occurs any reduction, repayment by way of reduction, consolidation or division of the issued capital of the Company, then the entitlement of the Noteholder to Convert the Convertible Notes must be reconstructed in the same proportion and manner as that reduction, repayment by way of reduction, consolidation or division of the issued capital of the Company (subject to the same provisions, if any, with respect to the rounding of entitlements) as are approved by the meeting of members of the Company which approves that reconstruction of capital. |
| Voting | Except in the circumstances required by the Listing Rules or the Corporations Act, Note Holders will not be entitled to receive notice of or to vote at general meetings of the Company. |

14.5 EMPLOYEE OPTION PLAN

The following are key features of the Employee Option Plan:

1 Eligibility

The Board may issue Options under the EOP to any employee of the Company and its subsidiaries, including executive Directors and non-executive Directors.

2 General Terms of the Options

2.1 Options will be issued free of charge, unless the Board determines otherwise. Each Option is to subscribe for one Share and, when issued, the Share will rank equally with other Shares.

2.2 The Options are not transferable.

2.3 Quotation of the Options on the ASX will not be sought, but the Company will apply to the ASX for official quotation of Shares issued on exercise of Options. Options may be granted subject to conditions specified by the Board which must be satisfied before the Options can be exercised.

3 Exercise of Options

3.1 Unless the terms on which an Option was offered specify otherwise, an Option may be exercised at any time after two years from the date it is granted, provided the employee is still employed by the Company.

3.2 An Option may also be exercised in special circumstances, that is, at any time within 6 months after the employee's death, total and permanent disablement, retirement or retrenchment. An Option lapses upon termination of the employee's employment by the Company and, unless the terms of the offer of the Option specify otherwise, lapses five years after the date upon which it was granted.

4 Exercise Price

The exercise price per Option will be the amount determined by the Board at the time of the grant of the Option.

5 New Issues of Securities

Optionholders will not be entitled to participate in any new issue of securities in the Company unless they exercise their Options prior to the record date for the determination of entitlements to the new issue.

6 Bonus Issues

If the Company makes a bonus issue of securities to the Shareholders, each unexercised Option will, on exercise, entitle its holder to receive the bonus securities as if the Option had been exercised before the record date for the bonus issue.

7 Rights Issue

If the Company makes a pro-rata rights issue of Shares for cash to its ordinary Shareholders, the exercise price of unexercised Options is adjusted to reflect the diluting effect of the issue.

8 Capital Reorganisations

If there is any reorganisation of the capital of the Company, the number of Options and their exercise price will be adjusted in accordance with the Listing Rules.

9 Limit on Number of Options

The maximum number of Options on issue under the EOP must not at any time exceed 5% of the total number of Shares on issue at that time.

14.6 SHAREHOLDERS

The following are the top 20 holders of Shares as at 23 December 2010:

| Holder Name | Shares | % |
|--|-------------------|---------------|
| MERIDIEN CAPITAL LTD | 5,000,000 | 24.106 |
| FAIRCHOICE LIMITED | 1,250,000 | 6.027 |
| DALUA PTY LTD | 1,250,000 | 6.027 |
| IVKOVIC HOLDINGS PTY LTD <IVKOVIC FAMILY A/C> | 1,250,000 | 6.027 |
| AB OVERELL SHOES PTY LTD <SUPER FUND NO 2 A/C> | 1,250,000 | 6.027 |
| MR PATRICK HARFORD <HARFORD SUPER FUND A/C> | 1,190,000 | 5.737 |
| COLLINS STREET GROUP LTD | 500,000 | 2.411 |
| COMMON SENSE COMPUTING PTY LTD <COMMON SENSE A/C> | 500,000 | 2.411 |
| PROTO RESOURCES INVESTMENTS LTD | 375,000 | 1.808 |
| PROTO RESOURCES & INVESTMENTS LTD | 357,140 | 1.722 |
| MR ANDREW KENNETH BRUCE MORTIMER | 321,428 | 1.550 |
| SUPER 1136 PTY LTD | 300,000 | 1.446 |
| MR JOHN MACFARLANE | 260,000 | 1.254 |
| MR KEVIN GOOD | 250,000 | 1.205 |
| MR KEVIN SHIRLAW | 250,000 | 1.205 |
| SA CAPITAL FUNDS MANAGEMENT LIMITED <SACFM NO 1 FUND A/C> | 250,000 | 1.205 |
| MR MING SUN & MRS ALICE SUN | 250,000 | 1.205 |
| MR ANDREW JAMES DAVIE | 250,000 | 1.205 |
| MR GEOFFREY J ROBINSON | 250,000 | 1.205 |
| DIND HOLDINGS PTY LTD <DIND SUPER FUND A/C> | 250,000 | 1.205 |
| Total | 15,543,568 | 74.939 |

Please note that as the Company is currently trading on the NSX, the Top 20 Shareholders may be subject to change during the Offer period of this Prospectus.

14.7 OPTION HOLDERS

The following are the top 20 holders of Options as at 23 December 2010:

| Holder Name | Options | % |
|---|------------------|---------------|
| MERIDIEN CAPITAL LTD | 2,500,000 | 27.824 |
| FAIRCHOICE LIMITED | 625,000 | 6.956 |
| DALUA PTY LTD | 625,000 | 6.956 |
| IVKOVIC HOLDINGS PTY LTD <IVKOVIC FAMILY A/C> | 625,000 | 6.956 |
| MR PATRICK HARFORD <HARFORD SUPER FUND A/C> | 600,000 | 6.678 |
| COLLINS STREET GROUP LTD | 250,000 | 2.782 |
| AB OVERELL SHOES PTY LTD <SUPER FUND NO 2 A/C> | 250,000 | 2.782 |
| COMMON SENSE COMPUTING PTY LTD <COMMON SENSE A/C> | 250,000 | 2.782 |
| PROTO RESOURCES INVESTMENTS LTD | 187,500 | 2.087 |
| SUPER 1136 PTY LTD | 150,000 | 1.669 |
| MR KEVIN GOOD | 125,000 | 1.391 |
| MR KEVIN SHIRLAW | 125,000 | 1.391 |
| MR JOHN MACFARLANE | 125,000 | 1.391 |
| MR MING SUN & MRS ALICE SUN | 125,000 | 1.391 |
| MR GEOFFREY J ROBINSON | 125,000 | 1.391 |
| MR WILLIAM JOSEPH CLANCY & MRS CATHERINE MARY CLANCY <THE CLANCY SUPER FUND A/C> | 100,000 | 1.113 |
| MR ANDREW JAMES DAVIE | 100,000 | 1.113 |
| MS NATALIE ANN MACCULLAGH | 100,000 | 1.113 |
| TULLA CAPITAL MANAGEMENT PTY LTD <TULLA CAPITAL MNGT INVT A/C> | 100,000 | 1.113 |
| SOUTHERN CROSS MANAGEMENT GROUP PTY LTD | 100,000 | 1.113 |
| Total | 7,187,500 | 79.994 |

14.8 EXPENSES OF THE OFFER

The following dollar amounts are anticipated issue costs excluding GST:

| Capital Raising | Minimum Subscription | Maximum Subscription |
|--------------------------------------|-------------------------|-------------------------|
| Brokerage & Commissions | 196,000 | 316,000 |
| Legal Fees | 50,000 | 50,000 |
| Investigating Accountant's Fees | 12,500 | 12,500 |
| Tenement Report | 15,000 | 15,000 |
| Independent Geologist Report | 15,000 | 15,000 |
| ASX, ASIC and Registry fees | 35,000 | 40,000 |
| Printing, Marketing and Distribution | 25,000 | 30,000 |
| Other | 5,000 | 5,000 |
| | 353,500 | 483,500 |
| Broker Options (Non-Cash) | 70,709 | 106,064 |
| TOTAL | 424,209 | 589,564 |

14.9 WORKING CAPITAL STATEMENT

The Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out the work programs outlined in the Prospectus. Investors should also review the Expenditure Plans and Use of Funds set out at Section 3.5 of this Prospectus.

14.10 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares generally and specifically from a taxation viewpoint. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

14.11 EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge Applications prior to the expiry of the Exposure Period.

14.12 LITIGATION

The Directors are not aware of any current or threatened litigation, arbitration proceeding, administrative appeal or criminal or governmental prosecution of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or the financial position of the Company.

14.13 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus and electronic Application Form on the basis of a paper Prospectus being lodged with ASIC, and the publication of notices referring to an electronic Prospectus or electronic Application Form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please

contact the Company which will send you free of charge either a hard copy or electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website www.meridienresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or altered.

14.14 RELATED PARTY TRANSACTIONS

14.14.1 Meridien Capital Shareholding

The Company's largest shareholder, Meridien Capital, has indicated that it does not intend to participate in this capital raising. Meridien Capital's current security holding and its percentage holding under the Minimum Subscription and Maximum Subscription will be as follows:

| | % |
|---|-------|
| Current shareholding percentage | 24.11 |
| Shareholding percentage under Minimum Subscription | 12.76 |
| Shareholding percentage under Maximum Subscription | 10.16 |
| Current optionholding percentage | 27.82 |
| Optionholding percentage under Minimum Subscription | 25.04 |
| Optionholding percentage under Maximum Subscription | 23.84 |

14.14.2 Agreements with Meridien Capital

On 1 February 2010, the Company entered into an agreement with Meridien Capital whereby Meridien Capital agreed to provide:

- (a) advisory services to the Company on a monthly retainer of \$10,000 plus GST. The advisory services were terminated on 30 September 2010. As at the date of this Prospectus the Company has paid \$80,000 to Meridien Capital for the advisory services; and
- (b) office space and accounting support to the Company in the sum of \$2,000 per month (exclusive of GST). Meridien Capital is continuing to provide office space and accounting support to the Company. As at the date of this Prospectus the Company has paid approximately \$22,000 to Meridien Capital for the office space and accounting support.

Three Directors of the Company, Mr Kevin Good, Mr Kevin Shirlaw and Mr Michael Ivkovic, are also directors of Meridien Capital.

14.15 INTERESTS OF DIRECTORS OF THE COMPANY

14.15.1 Remuneration in Previous 2 Years

Except as disclosed in this Prospectus, no director holds, or during the last two years has held, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- the Offer, and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by the Director in connection with the promotion of the Company or the Offer.

14.15.2 Directors' Relevant Interest in Securities

At the date of this Prospectus the relevant interests of each of the Directors in the Shares and Options of the Company are as follows:

| Director | Shares | Options |
|-----------------|------------------|------------------|
| Kevin Good | 250,000 | 125,000 |
| Michael Ivkovic | 1,250,000 | 625,000 |
| Kevin Shirlaw | 250,000 | 125,000 |
| John MacFarlane | 750,000 | 375,000 |
| Total | 2,500,000 | 1,250,000 |

These Shares and Options are held indirectly and through entities controlled by the Directors.

14.15.3 Directors' Remuneration

The Constitution of the Company provides that non-executive Directors, other than a Managing Director or an Executive Director, are entitled to remuneration as determined by the Directors but not exceeding in aggregate for any financial year the maximum sum that is from time to time approved by the Company in General Meeting.

In the 2 year period ending on the date of this Prospectus, the Directors of the Company have been paid the following fees:

| Name | Cash | Shares | Options |
|-----------------|------------------|---------------|----------------|
| Kevin Good | \$37,500 | Nil | Nil |
| Michael Ivkovic | Nil | Nil | Nil |
| Kevin Shirlaw | \$37,500 | Nil | Nil |
| John MacFarlane | \$37,500 | Nil | Nil |
| Total | \$112,500 | Nil | Nil |

In addition to any remuneration, the Company must pay a Director all reasonable expenses (including travelling and accommodation expenses) incurred by the Director in attending meetings of the Company, the Board, or a committee of the Board on the business of the Company or in carrying out duties as a Director.

Subject to any contract with the Company and to the Listing Rules, the Board may fix the remuneration of each Executive Director. That remuneration may consist of salary, bonuses or any other elements but must not be a commission on or percentage of profits or operating revenue.

The Directors are entitled to be remunerated as set out below:

| Name | Position | Effective Date | Remuneration per annum (Inclusive of 10% Superannuation) |
|-----------------|------------------------|---|---|
| Kevin Good | Non-Executive Chairman | Date the Company is admitted to Official List | \$44,000 |
| Michael Ivkovic | Managing Director | 17 December 2010 | \$132,000 |
| Kevin Shirlaw | Non-Executive Director | Date the Company is admitted to Official List | \$44,000 |
| John MacFarlane | Non-Executive Director | Date the Company is admitted to Official List | \$44,000 |
| Total | | | \$264,000 |

Following the successful completion of this capital raising, the Directors propose to seek Shareholder approval for the issue of Options with an exercise price equal or greater than the Issue Price.

14.16 INTERESTS OF PERSONS NAMED

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company with which any of those persons is or was associated, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer under this Prospectus; or
- the Offer under this Prospectus.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or given or agreed to be paid or given to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer under this Prospectus.

- (a) In accordance with the terms of their engagement, TressCox Lawyers will be paid \$50,000 (plus applicable GST) by the Company for services relating to the preparation of this Prospectus and associated due diligence and in relation to the various material agreements and contracts set out in Section 13 of this Prospectus.
- (b) In accordance with the terms of their engagement, as the Independent Accountant RSM Bird Cameron Corporate will be paid an amount \$12,500 (plus applicable GST) in relation to provision of the Independent Accountants' Report set out in Section 10 of this Prospectus.
- (c) In accordance with the terms of the Sponsoring Broker Mandate, Dayton Way Financial will be paid 6% of the amount raised under the Offer being \$180,000 under the Minimum Subscription and \$300,000 under the Maximum Subscription.
- (d) Rangott Mineral Exploration will receive professional fees of approximately \$15,000 (plus applicable GST) for the provision of the Independent Geologist's Report as set out in Section 9 of this Prospectus.
- (e) Hetherington will receive professional fees of approximately \$12,500 for the provision of the Tenements Report as set out in Section 12 of this Prospectus.

14.17 CONSENTS

Written consents to be named in this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties. Copies of the consents are available for inspection during normal office hours, free of charge, at the registered office of the Company:

Rangott Mineral Exploration has given and not withdrawn its written consent to be named as Independent Geologist in the form and context in which it is so named, nor is any statement in this Prospectus based on any statement by Rangott Mineral Exploration other than the Independent Geologist's Report set out at Section 9 of this Prospectus.

RSM Bird Cameron Corporate has given and not withdrawn its written consent to be named herein as Investigating Accountant in the form and context in which it is so named, nor is any statement in this Prospectus based on any statement by RSM Bird Cameron Corporate other than the Investigating Accountant's Report set out at Section 10 of this Prospectus.

RSM Bird Cameron Partners has given and not withdrawn its written consent to be named herein as Auditor in the form and context in which it is so named, nor is any statement in this Prospectus based on any statement by RSM Bird Cameron Partners.

Hetherington has given and not withdrawn its written consent to be named herein as providing the Tenements Report in the form and context in which it is so named, nor is any statement in this Prospectus based on any statement by Hetherington other than the Tenements Report set out at Section 12 of this Prospectus.

TressCox Lawyers have given and not withdrawn their written consent to be named herein as the Solicitor to the Company in the form and context in which they are so named, nor is any statement in this Prospectus based on any statement by TressCox Lawyers.

Dayton Way Financial has given and not withdrawn their written consent to be named herein as the Sponsoring Broker to the Company in the form and context in which it is so named, nor is any statement in this Prospectus based on any statement by Dayton Way Financial.

Registries Limited has given and not withdrawn their written consent to be named herein as the Share Registry to the Company in the form and context in which they are so named, nor is any statement in this Prospectus based on any statement by Registries Limited.

Chris Sylvester has given and not withdrawn his written consent to be named herein as a member of the Technical Committee in the form and context in which he is so named, nor is any statement in this Prospectus based on any statement by him.

Charles Straw has given and not withdrawn his written consent to be named herein as a member of the Technical Committee in the form and context in which he is so named, nor is any statement in this Prospectus based on any statement by him.

Glossary of Terms

Where the following terms are used in this Prospectus they have the following meanings:

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|--------------------------------|--|
| A\$ or \$ | The currency of Australia, except where indicated otherwise. |
| AEDT | Australian Eastern Daylight Time. |
| Applicant | A person(s) who submits a valid Application Form pursuant to this Prospectus. |
| Application | A valid application to subscribe for Shares. |
| Application Form | The application form attached to and forming part of this Prospectus. |
| Application Monies | Application money received from Applicants. |
| ASIC | Australian Securities and Investments Commission. |
| ASX | ASX Limited (ACN 008 624 691). |
| ASX Settlement | ASX Settlement Pty Limited (ACN 008 504 532). |
| ASX Settlement Operating Rules | The operating rules of ASX Settlement. |
| Au | Gold. |
| Augur Resources | Augur Resources Ltd (ACN 106 879 690). |
| Board | The board of Directors. |
| Broker Performance Options | Options to acquire Shares at an exercise price of 20 cents on or before 3 years from the date of admission to the Official List of ASX that are to be granted to the Sponsoring Broker pursuant to the Broker Agreement summarised in Section 13.1 of this Prospectus. |
| Business Day | A business day as defined in the Listing Rules. |
| CHESS | ASX Clearing House Electronic Subregistry System. |
| CIP Plant | Carbon-In-Pulp used to treat gold ores. |
| Closing Date | 14 February 2011 or such other date as determined by the Board. |
| Company | Meridien Resources Limited (ACN 131 758 177). |
| Constitution | The constitution of the Company. |
| Convertible Note | The convertible notes in the Company on issue the terms of which are summarised in Section 14.4 of this Prospectus. |
| Corporate Governance Principle | A principle set out in ASX Corporate Governance Council's Corporate Governance Principles and Recommendations: 2nd Edition (Revised Principles). |
| Corporations Act | <i>Corporations Act 2001</i> (Cth). |
| Directors | The directors of the Company from time to time. |
| EOP | Employee Option Plan the terms of which are summarised in Section 14.5 of this Prospectus. |
| Exposure Period | The period of seven (7) days after the date of lodgment of this Prospectus, which period may be extended by the ASIC by seven (7) days pursuant to section 727(3) of the Corporations Act. |
| Glossary | This glossary. |

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| Hetherington | Hetherington Exploration & Mining Title Services Pty Ltd (ACN 003 122 996). |
| HIN | Holder Identification Number. |
| Investigating Accountant or Auditor | RSM Bird Cameron. |
| Investigating Accountant's Report | The report prepared by RSM Bird Cameron contained in Section 10 of this Prospectus. |
| Independent Geologist or Rangott Mineral Exploration | Rangott Mineral Exploration Pty Ltd (ACN 002 536 825). |
| Independent Geologist's Report | The report prepared by the Independent Geologist contained in Section 9 of this Prospectus. |
| Issue Price | \$0.20. |
| Jaguar Minerals | Jaguar Minerals Limited (ACN 107 159 713). |
| JORC | Australasian Joint Ore Reserves Committee. |
| JORC Code | The Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, and the accompanying Guidelines as set out in Appendix 5A of the Listing Rules. |
| Listing Rules | Listing Rules of the ASX. |
| Lucky Draw | New South Wales Exploration Licence 6810. |
| Lycopodium Minerals | Lycopodium Minerals Qld Pty Ltd (ACN 124 757 384). |
| NSX | National Stock Exchange of Australia Limited (ACN 000 902 063). |
| Offer | The offer of up to 25,000,000 Shares pursuant to this Prospectus. |
| Maximum Subscription | The issue of 25,000,000 Shares at an issue price of 20 cents each to raise a maximum of \$5,000,000. |
| Meridien Capital | Meridien Capital Limited (ACN 121 348 730). |
| Minimum Subscription | The issue of 15,000,000 Shares at an issue price of 20 cents each to raise a minimum of \$3,000,000. |
| Mt David Farmin Agreement | The farmin agreement between the Company and Jaguar Resources in relation to EL 5242, a summary of which is set out at Section 13.2 of this Prospectus. |
| Offer Period | The period commencing on the Opening Date and ending on the Closing Date. |
| Offer Price | \$0.20 per Share. |
| Official List | The official list of the ASX. |
| Opening Date | 1 January 2011 or such other date as may be extended by ASIC. |
| Option | An option to acquire a Share. |
| Optionholder | The holder of an Option. |
| Prospectus | This Prospectus dated 24 December 2010 for the issue of up to 25,000,000 Shares. |
| PYBAR Mining Services | PYBAR Mining Services Pty Ltd (ACN 060 589 433). |
| PYBAR MOU | The memorandum of understanding between PYBAR Mining |

| | |
|---|--|
| | Services and the Company as summarised in Section 13.8 of this Prospectus. |
| Quotation | Quotation of the Shares on the ASX. |
| RAB drilling | The drilling technique in which a sample is returned to surface outside the rod string by compressed air. The drill sample may be subject to some degree of contamination. |
| RC drilling | The drilling method employing a rotating or hammering action on a drill bit which returns a sample to the surface inside the rod string by compressed air. |
| Restricted Securities | Has the meaning given to that term in the Listing Rules. |
| RSM Bird Cameron Corporate | RSM Bird Cameron Corporate Pty Ltd (ACN 050 508 024). |
| RW Corkery & Co | RW Corkery & Co Pty Ltd (ACN 002 033 712). |
| Share | A fully paid ordinary share in the Company. |
| Shareholder | A holder of Shares. |
| Share Registry | Registries Limited (ACN 003 209 836). |
| Sponsoring Broker or Dayton Way Financial | Dayton Way Financial Pty Ltd (ACN 138 130 328). |
| Sponsoring Broker Mandate | The sponsoring broker mandate between the Company and the Sponsoring Broker as summarised in Section 13.1 of this Prospectus. |
| Springfield Heads of Agreement | The heads of agreement between the Company and Jaguar Resources in relation to EL 5991, a summary of which is set out at Section 13.2 of this Prospectus. |
| SRN | Security Holder Reference Number. |
| Technical Committee | The technical advisory committee of the Company comprised of Mr Chris Sylvester and Mr Charles Straw. |
| Tenements Report | The report prepared by Hetherington contained in Section 12 of this Prospectus. |
| Weelah Heads of Agreement | The heads of agreement between the Company and Augur Minerals in relation to EL 6309, a summary of which is set out at Section 13.4 of this Prospectus. |

Consent by the Directors

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgment of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of Shares pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors has consented to the lodgment of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.



Signed for and on behalf of
Meridien Resources Limited

Kevin Good
Chairman