

Meridien Resources Limited

ABN 131 758 177

Interim Financial Report

for the Half Year Ended 31 December 2010

Corporate Directory

DIRECTORS

Mr Kevin Good
Mr Kevin Shirlaw
Mr John MacFarlane
Mr Michael Ivkovic

REGISTERED OFFICE

Level 29
Chifley Tower, 2 Chifley Square
Sydney NSW 2000
Ph: (02) 9220 3581
Fax: (02) 9375 2121

NOMINATED ADVISOR

Collins Street Group Pty Ltd
Level 13
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Melbourne VIC 3000
Ph: (03) 9670 9030
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AUDITORS

RSM Bird Cameron Partners
Level 12, 60 Castlereagh St
Sydney NSW 2000
Ph: (02) 9233 8933
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COMPANY SECRETARY

Mr Richard Hill

SHARE REGISTRY

Registries Limited
Level 7, 207 Kent Street
Sydney NSW 2000
Ph: (02) 1300 737 760
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SPONSORING BROKER

Dayton Way Financial Pty Ltd
Level 5, 17-19 Bridge Street
Sydney NSW 2000
Ph: (02) 9276 3100
Fax: (02) 9252 0890

SOLICITORS

TressCox Lawyers
Level 9
469 La Trobe Street
Melbourne VIC 3000
Ph: (03) 9602 9444
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Directors' Report

Your directors present their report on the company for the half year ended 31 December 2010.

Directors

The names of the directors of the company during or since the end of the half year are:

Mr K.J. Good
Mr K.R. Shirlaw
Mr J MacFarlane
Mr M Ivkovic (appointed 17 December 2010)

Review of Operations

During the 6 month period to 31 December 2010, the Company was primarily focussed on the development of gold exploration and mining activities in the Central West corridor of New South Wales.

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. 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. On 23 December, the Company finalised the purchase of the freehold land that hosts the Lucky Draw tailings dam.

The Company has 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

On 30 August, the Company 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, 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. 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

On 24 December 2010, the Company made an application for listing to the ASX and subsequently opened the offer to prospective investors on 7 January 2011. On 16 February 2011, conditional approval was received from the ASX.

On 2 March 2011, the Company exercised its option to acquire 80% of Exploration Licence EL 5991 in accordance with the terms of the Jaguar Heads of Agreement.

On 15 March 2011, the Company exercised its option to acquire 80% of Exploration Licence EL 6309 in accordance with the terms of the Augur Heads of Agreement

On 16 March 2011, the Company closed the ASX offer to prospective investors. Subsequently, on 31

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Directors' Report

Review of Operations (continued)

March 2011 the Company issued 15,837,500 shares at \$0.20 each raising at total of \$3,167,500.

During the six month period to 31 December 2010, a total of \$221,000 was raised by way of issue additional securities under NSX listing rule 6.25 which allows directors to issue up to 15% of the issued capital in the Company. This issue was ratified at the AGM held 24 November 2010. In addition, the Company raised a further \$345,000 by way of Convertible Notes.

Funds from these capital raising initiatives were spent on the further evaluation of the Lucky Draw tailings project; settlement of the freehold land where Lucky Draw is situated; securing agreements with Augur Resources Limited and Jaguar Minerals Limited; progressing the ASX Prospectus and general working capital requirements.

Auditor's Independence Declaration

The auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors.

Director



Michael Ivkovic

Sydney, 1 April 2011

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 9233 8933 F +61 2 9233 8521

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Meridien Resources Limited for the half year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



C J Hume
Partner

Sydney, New South Wales
Dated: 1st April 2011

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**Statement of Comprehensive Income
for the half year ended 31 December 2010**

	Notes	31 December 2010 \$	31 December 2009 \$
Interest income		127	928
Employee benefits expense		(39,827)	(7,264)
Depreciation and amortisation expense		(2,060)	(3,810)
Other Expense	2	(240,490)	(247,265)
(Loss) before income tax expense		(282,250)	(257,411)
Income tax expense		-	-
(Loss) for the period		(282,250)	(257,411)
Other comprehensive income			
Realised gain on sale of investment		-	2,320
Net gain on revaluation of financial assets		5,081	-
Other comprehensive income for the period, net of tax		5,081	2,320
Total Comprehensive Income for the period		(277,169)	(255,091)
Earnings per share			
Basic earnings per share (cents)		(3.45)	(3.88)

Notes to the financial statements are included on pages 10 to 12

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**Statement of Financial Position
as at 31 December 2010**

		31 December 2010	30 June 2010
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		133,172	35,169
Trade and other receivables		39,648	74,696
Financial assets	4	42,215	37,134
TOTAL CURRENT ASSETS		215,035	146,999
NON-CURRENT ASSETS			
Property, Plant & Equipment		137,890	9,004
Other Assets	4	603,468	527,307
TOTAL NON-CURRENT ASSETS		741,358	536,311
TOTAL ASSETS		956,393	683,310
CURRENT LIABILITIES			
Trade and other payables		227,195	185,300
TOTAL CURRENT LIABILITIES		227,195	185,300
NON-CURRENT LIABILITIES			
Financial Liabilities		258,750	-
TOTAL NON-CURRENT LIABILITIES		258,750	-
TOTAL LIABILITIES		485,945	-
NET ASSETS		470,448	498,010
EQUITY			
Issued Capital		1,475,643	1,226,036
Reserves		6,900	6,900
Accumulated losses		(1,012,095)	(734,926)
TOTAL EQUITY		470,448	498,010

Notes to the financial statements are included on pages 10 to 12

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**Statement of changes in equity
for the half year ended 31 December 2010**

	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2009	674,720	6,900	(197,692)	483,928
Shares issued during the period	497,500	-	-	497,500
Cost of shares issued	(115,154)	-	-	(115,154)
Loss for the period	-	-	(255,091)	(255,091)
Balance at 31 December 2009	1,057,066	6,900	(452,783)	611,183
Balance at 1 July 2010	1,226,036	6,900	(734,926)	498,010
Shares issued during the period - Placement	221,000	-	-	221,000
Equity Component of Convertible Notes issued	86,250	-	-	86,250
Cost of shares issued	(57,643)	-	-	(57,643)
Loss for the period	-	-	(277,169)	(277,169)
Balance at 31 December 2010	1,475,643	6,900	(1,012,095)	470,448

Notes to the financial statements are included on pages 10 to 12

MERIDIEN RESOURCES LIMITED

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**Statement of Cash Flows
for the half year ended 31 December 2010**

	31 December 2010	31 December 2009
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	-	47,329
Payments to suppliers and employees (inclusive of GST)	(284,812)	(304,411)
Interest received	127	928
Taxes (paid) received- GST	19,080	11,916
Net cash (inflow) from operating activities	(265,605)	(244,238)
 Cash flows from investing activities		
Purchase of non-current assets	(200,856)	-
Purchase for investments	-	(55,919)
Net cash (outflow) from investing activities	(200,856)	(55,919)
 Cash flows from financing activities		
Proceeds from issues of shares	249,607	497,500
Proceeds from borrowings	288,750	-
Cost of capital raising	-	(115,155)
Proceeds from related party loan	26,107	(67,488)
Net cash inflow from financing activities	564,464	314,857
 Net increase in cash and cash equivalents	98,003	14,700
Cash and cash equivalents at the beginning of 01.07.2010	35,169	(2,028)
Cash at the end of the period -31.12.2010	133,172	12,672

Notes to the financial statements are included on pages 10 to 12

**Notes to the Financial Statements
for the half year ended 31 December 2010**

1. Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Meridien Resources Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2010, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company recorded a net operating loss of \$282,250 and had net cash outflows from operating activities of \$265,605 for the half year ended 31 December 2010. As at that date current liabilities exceeded current assets by \$12,160.

The Directors believe that it is reasonably foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the fact that the company has raised \$3,167,500 through a share issue on 31 March 2011, as disclosed in note 6.

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**Notes to the Financial Statements
for the half year ended 31 December 2010**

	31 December 2010 \$	31 December 2009 \$
Note 2: Profit for the Period		
Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Company Secretarial	30,305	27,083
Rental expense	13,340	14,000
Administration & management	39,091	24,000
Accounting & Advisory Fees	50,341	52,401

Note 3: Dividends

No dividend has been paid or declared in this financial period or the previous financial period.

Note 4: Operating Segment

The company operates in two business segments in Australia: 1) investment in Australian Listed and unlisted companies; 2) exploration and mining, mainly in Exploration Licence (EL) 6810 which covers the Lucky Draw gold tailings dam at Burruga New South Wales.

The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the Company is managed and provides a meaningful insight into the business activities of the Company.

The following tables present details of revenue and operating profit by business segment. The information disclosed in the tables below is derived directly from the internal financial reporting system used by corporate management to monitor and evaluate the performance of our operating segments separately.

(i) Segment performance

Six months ended 31.12.2010	Investment \$	Exploration \$	Total \$
Revenue			
Revaluation of financial assets	5,081	-	5,081
Interest revenue			127
<i>Reconciliation of segment result to group net (loss) before tax</i>			
Unallocated items:			
Other			(\$282,377)
Net profit before tax from continuing operations			(277,169)

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**Notes to the Financial Statements
for the half year ended 31 December 2010**

Note 4: Operating Segment (cont'd)

Six months ended 31.12.2009	Investment \$	Exploration \$	Total \$
Revenue			
Gain on sale of financial assets	2,320	-	2,320
Interest revenue			928
<i>Reconciliation of segment result to group net (loss) before tax</i>			
Unallocated items:			
Other			(\$258,339)
Net profit before tax from continuing operations			(255,091)

(ii) Segment assets

	Investment \$	Exploration \$	Total \$
Opening balance 1 July 2010	37,134	527,307	564,441
Additions	5,081	76,160	81,241
Closing balance 31 December 2010	42,215	603,467	645,682

Note 5: Contingent Liabilities

There has been no change in contingent liabilities since the last annual report date.

Note 6: Event Subsequent to Reporting Date

Subsequent to balance date, the following material event has occurred:

On 24 December 2010, the Company made an application for listing to the ASX and subsequently opened the offer to prospective investors on 7 January 2011. On 16 February 2011, conditional approval was received from the ASX.

On 2 March 2011, the Company exercised its option to acquire 80% of Exploration Licence EL 5991 in accordance with the terms of the Jaguar Heads of Agreement.

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On 16 March 2011, the Company closed the ASX offer to prospective investors. Subsequently, on 31 March 2011 the Company issued 15,837,500 shares at \$0.20 each raising at total of \$3,167,500.

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Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 6 to 12, are in accordance with the Corporations Act 2001 and:
 - b. comply with Accounting Standard AASB 134; Interim Financial Reporting and
 - c. give a true and fair view of the financial position as at 31 December 2010 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Michael Ivkovic

Dated this

1st

day of

April

2011

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MERIDIEN RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Meridien Resources Limited which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Meridien Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Meridien Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Meridien Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM BIRD CAMERON PARTNERS

Chartered Accountants



Sydney, New South Wales

Dated: 1st April 2011

C J Hume

Partner