



ABN: 15 121 348 730

3rd July 2012

Shareholder Update

Meridien Investment in Australian Cable Tray Systems Pty Ltd

In October 2010 Meridien Capital Limited (the company) acquired a 51% interest in Australian Cable Tray Systems Pty Limited (ACTS). The other 49% is owned by interests associated with Mr. John Hicks who has had over 10 years experience in the flat steel and wire mesh cable tray industry in Australia.

Meridien Capital also owns 10% of ACS Asia (1996) Co. Ltd and this initiative was part of a broader strategy to acquire both companies with the objective of integrating the businesses and moving Meridien Capital Limited's listing to the ASX during the second quarter of calendar year 2012.

Despite projections that ACTS would be profitable on a monthly basis from December 2011 significant senior management issues, a lack of working capital to secure new product orders from Thailand and a major delay in the delivery of the new mesh cable tray machine from Germany resulted in ACTS recording a loss of \$545,315 for the six month period ending 31st December 2011. This figure brought total losses for this business to \$1,493,380 since operations commenced in October 2010 until 31st December 2011. The inability of ACTS to secure additional capital to acquire and install the new machine and to pay for past due new orders of flat steel cable trays from Thailand, resulted in the cancellation of orders from major customers and the termination of the company's strategic alliance with Anixter.

Meridien Capital advanced a further \$200,000 to ACTS in the three months from 1st January, 2012 to 31st March, 2012 whilst efforts continued to raise new capital in ACTS and to secure leasing for the mesh machine.

Despite these efforts ACTS was placed in voluntary liquidation on 31st May, 2012. A provision for the loss of \$638,600 in respect of the Company's investment in ACTS has been reflected in the Company's accounts for the six month period ended 31st December, 2011. A meeting of creditors on the 27 June 2012 confirmed that the company can expect little if any return on their investment and a further provision of up to \$200,000 may be required for the full financial year ending 30th June, 2012.

Meridien Capital Limited shareholding in Meridien Resources Limited (ASX:MRJ)

Meridien Capital Limited holds 5.0 million ordinary shares and 2.5 million \$0.20 cent options in the ASX listed Meridien Resources Limited. The shares and options are escrowed until 7 April 2013.

Since listing on 7 April 2011 Meridien Resources shares have traded in a range between \$0.05 cents and \$0.335 cents and last traded at \$0.135 cents per share.

The proposed acquisition of a South African company by Meridien Resources Limited, with major gold mining operations in the Transvaal and the joint venture development of the Company's gold tailings dam at Burruga, NSW are expected to have a positive influence on Meridien Resources' share price over the next six months. The company recently announced that it had finally received ministerial approval for the acquisition.

Meridien Capital limited-Investment in Elsmore Resources Limited

On 27 June 2012 the Company entered into an exclusivity agreement with Elsmore Resources Limited (Elsmore) whereby the parties have engaged in preliminary, non – binding discussions regarding the terms of a possible transaction between the Company and Elsmore pursuant to which the Company would make a substantial equity investment in Elsmore or acquire the share capital of Elsmore.

The Company has agreed to, and paid a \$20,000 fee in return for a ten week period of exclusivity to complete its due diligence in relation to a possible transaction. During this time Elsmore shall allow the Company and its representatives full and complete access to the assets and the books, records and documents of Elsmore and its subsidiaries and affiliates.

The Company is aware that, prior to the date of this agreement, Elsmore has had discussions with other third parties in relation to a possible transaction. The agreement specifically prohibits Elsmore from soliciting, initiation or encouraging submissions, proposals or offers from any other third party during the exclusivity period. Notwithstanding this, the Company has agreed that Elsmore should continue with its current initiatives to complete a pre IPO capital raising which shall not exceed \$1.2 million.

Elsmore has acquired on option from the ASX listed Malachite Resources Limited to mining tenements known as EL6196 and EL7177 located at Elsmore, 16km east of Inverell in the New England District of NSW. Elsmore Hill is the site of the first tin mining operation in NSW, with sluicing and dredging of shallow colluvium commencing in 1871.

The tenements have been owned by Malachite Resources since 2004 and approximately \$3.7 million has been spent since then on exploration and drilling to define the tin and rare earth?? contained resource.

Elsmore has more recently acquired exploration licences for two further tin and sand mining tenements and mining licenses for its existing sand mining and processing operations in adjacent areas. Further acquisitions to the east of Emmaville are under negotiation and if successful Elsmore will control the bulk of the prospective tenements in the tin rich Emmaville Inverell Glenn Innes triangle.



Capital Raising

There are currently \$728,000 of convertible notes (issued between February and June 2011) overdue for conversion or repayment by the Company. On the 29 June 2012 the largest convertible note holder advised the Company of its intention to exercise its option to convert all \$200,000 of notes held. In the absence of further requests for conversion the Company is obligated to repay the balance of \$528,000 plus interest on the outstanding convertible notes.

The Company has received a letter dated 28 June 2012 from Capital 19 Pty Ltd confirming that it had secured firm commitments to raise equity capital for Meridien Capital Limited over the coming 3 months period, totaling \$800,000 at a price of 80% of the 5 day VWAP of the Company's securities immediately preceding the issue of the shares but at a price not less than \$0.25 per share.

Capital 19 has raised substantial amounts of capital for the Company over the past year and additionally for the successful ASX listing of Meridien Resources Limited in 2011.

The Company is planning to move its listing from the NSX to the ASX in the fourth quarter of calendar year 2012. The Company has identified a significant resource based opportunity in Elsmore Resources Limited and the proposed acquisition strategy would provide the pathway to the ASX.

The Company's ability to secure a further underwriting commitment of at least \$2,000,000 is key to the success of this initiative.

Yours Faithfully
Meridien Capital Limited

Mike Ivkovic
Managing Director