

Meridian Gold buys Chilean goldmine

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US-based gold producer Meridian Gold has acquired a new production site in Chile - the Minera Florida mine. The acquisition will increase Meridian Gold's production capacity by 70,000 ounces a year.

Meridian Gold bought the mine from Minera Cenizas, a privately-held company, for US\$100 million.

The mine stretches over 120 kilometres of Chile's mining district Alhué. Since 1998, it has extracted almost 1 million ounces of gold from the district. Darcy Marud, vice president of exploration at Meridian Gold, predicts the mine's production figures will remain steady for at least seven to 10 years at current operating levels.

"We are delighted to be adding the Minera Florida operations into our growing portfolio," says Brian Kennedy, Meridian's CEO. "This acquisition reaffirms our commitment to continue advancing as a leader in low cost, socially responsible gold mining."

Meridian Gold and Minera Cenizas entered into an option agreement in August 2005. Since then, Meridian has invested US\$5 million into exploration costs before arriving at the purchase decision.

Meridian will take on the mine's 230 existing employees.

Roberto Alarcón Bittner, Meridian's in-house counsel, says: "The legal teams worked in a very professional manner protecting their client's interest and everybody made its contribution to solve challenging issues with creativity and flexibility."

Meridian Gold is a mid-tier gold producer with exploration projects in the Americas and operations in Chile.

Minera Cenizas is a privately owned Chilean mining company.