

# Meridian Gold widens options in Chile

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US miner Meridian Gold is keeping a foothold in Chile's gold reserves, consolidating its land holdings in the country's prospective mining districts.

The Nevada-based group has agreed an option agreement with private Chilean investors to acquire a 65 per cent interest in sites based in the Membrillo and Chancon mining districts.

Meridian has also exercised an earlier option to acquire the property and equipment of La Pepa site in Northern Chile.

The Membrillo-Chancon agreement, signed on 23 August, will double Meridian's holdings in the prospective land surrounding its existing production site Minera Florida, which it acquired last year - covered [here](#) by LATINLAWYER.

Membrillo and Chancon border the Alhué district - where Minera Florida lies. The agreement consolidates a large part of the three mining districts for the first time. Combined, they have produced over 2 million ounces of gold and have three active mines, including Minera Florida.

José Pablo Dulanto of [Morales, Valdivieso & Besa](#), who advised the sites' owners, explains the transaction's terms. "Should Meridian exercise the option, the transaction includes a shareholders agreement between Meridian and our client for the management of the jointly owned company," he notes.

Under the agreement, Meridian can earn a 65 per cent interest in 12,500 hectares of mining concessions providing it spends US\$5.5 million on exploration over the next three-and-a-half years. It must also pay the sites' owners a variable rate for each gold ounce identified.

Meridian exercised its option to acquire La Pepa site's assets on 28 August following the discovery of a gold deposit. According to Patricia Núñez of Núñez, Muñoz y Cía. Ltda., advisors to Meridian in both transactions, the purchase option was initially drawn up in 2004. Meridian exercised its option for a consideration of US\$14.5 million and a royalty of 2.3 per cent.

## **Counsel to Meridian**

- In-house counsel Roberto Alarcón
- Núñez, Muñoz y Cía. Ltda.

Partners Rodrigo Muñoz and Patricia Núñez

## **Counsel to La Pepa**

- Puga, Ortiz & Cía

Associate José Luis Gómez

**Counsel to Chancón**

- Morales, Noguera, Valdivieso & Besa

Partner Eugenio Besa and associate José Pablo Dulanto