

# P. ZIHLMANN INVESTMENT • MANAGEMENT AG

Your independent **Swiss** asset manager

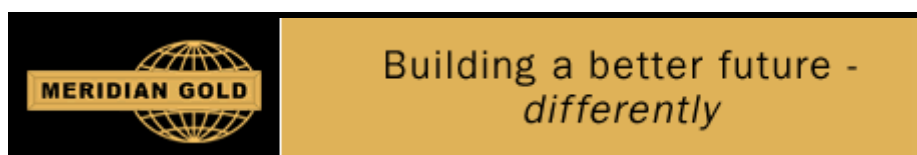
[THE TIMELESS PRECIOUS METAL FUND](#)

MERIDIAN GOLD INC (TORONTO: MNG / NYSE: MDG): FOLLOW-UP NO 19 / June 20, 2006

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<u>MERIDIAN GOLD: RETURN ON CAD 10,000 INVESTMENT</u>					
<u>Purchase Date</u>	<u>No. of Shares</u>	<u>Purchase Price</u>	<u>Cost (CAD)</u>	<u>Price Today</u>	<u>Value Today</u>
March 15, 2000	1'200	9.00	10'800.00		
<b>Total</b>	<b>1'200</b>	<b>9.00</b>	<b>10'800.00</b>	<b>32.00</b>	<b>38'400.00</b>
<b>Profit</b>					<b>27'600.00</b>
<b>Profit (in %)</b>					<b>255%</b>



<u>SHARES OUTSTANDING</u>	<u>MARKET CAP</u>
100.5 Million	CAD 3.2 Billion
<u>52 WEEK LOW / HIGH</u>	<u>AVERAGE TSX / NYSE</u>
CAD 20.60 to 42.30	434,400 (200-day) / 891,600 (200-day)
<u>RECOMMENDATION</u>	<u>RISK RATING</u>
BUY	AVERAGE

## A LOW-COST GOLD MINING COMPANY WITH A PROVEN EXPLORATION TRACK RECORD

### BUSINESS SUMMARY

Meridian Gold is a mid-tier gold producer with world-class mining operations in Chile and a pipeline of promising exploration projects throughout the Americas.

The success to date is based on **six grass-roots gold discoveries**, a **low-cost strategy**, and a different yet better approach to balanced growth.

**Meridian's goal is to become a million ounce gold producer by 2008 with costs in the lower quartile of the industry.**

The growth strategy it has developed to achieve this goal has four main components:

- leveraging current assets,
- making grass-roots discoveries,
- participating in joint ventures,
- and acquiring other gold companies or properties.

## ASSETS



### Carlin Trend, Nevada, U.S.: Rossi

Meridian Gold - 40%: Joint venture with Barrick Gold Exploration (ABX) (60%)

During 1998, the Company entered into a joint venture with Barrick Gold Exploration, Inc. on the Rossi property, in which Barrick had the right to earn a 60% interest in the property by spending \$15 million. Since Barrick met its initial contribution requirement on November 18, 2003, **all work on the Rossi property is being managed by Barrick and funded on a 60%-Barrick, 40%-Meridian basis.**

The Rossi property spans approximately 28 square kilometers on the northern end of the Carlin Trend, one of the most prolific gold belts in North America. The joint venture's STORM resource is situated in the southwest corner of the property and is immediately adjacent to Glamis Gold's Dee Mine. The Rossi property lies between the Antelope and Boulder Creek drainages in the low rolling hills of the Sheep Creek Range, 42 kilometers northwest of Carlin, Nevada. Access to the property is by all-season gravel roads either through Boulder Valley or the Newmont Gold Company/Barrick Gold Corporation mining areas.

### Exploration in Mexico and Central America

Exploration efforts in Mexico began in 1991 when four FMC Gold company geologists made the first in-country assessment of the geologic potential, infrastructure, mining law, and tax structure.

A favorable summary report led to the opening of an exploration office in Hermosillo, Sonora in 1993. The office closed from 1995 to 1998, due largely to the reorganization of FMC Gold. Exploration efforts resumed in 1999 and continue to this day with grassroots examinations, submittal reviews, and the evaluation of joint venture properties.

### Grassroots exploration

Ticks, Aquinas (no-see-um biting insects), rattlesnakes with bodies as thick as a large mans arm, wild boars, the "spine"iferous forests, the incredibly remote and rugged Sierra Madre, the illegal drug trade, multas, the jumping spiders, the balls of daddy-long-legs, and cave bats all combined with brutal heat and humidity to make working in Mexico an intense experience for the first U.S.-based exploration crews.

Today, Meridian utilizes long time consultants based in Mexico managed by Mark Hawksworth of the Reno office. As elsewhere in the Americas, MDG has an extensive database of external geologic reports filed next to internal summary reports of site visits that form a solid foundation to frame and build success. **The current attention is focused on the third stage of drill testing the 100% MDG owned and grassroots generated La Silla Project in Sinaloa.**

## El Peñón Overview - Chile

Meridian's 100% owned, **high-grade gold/silver El Peñón mine** is located in the **Atácama Desert** in Region II of northern Chile, about 160 km southeast of the port city of Antofagasta at an elevation of 1,800 meters above sea level. The climate is ideal for year round operations, **and the mine has had limited impact on the extremely arid environment of the area.**

Although El Peñón is the driest place on the planet, Meridian has secured sufficient water rights in the region and has established wells about 16 km away. **In 2006, El Peñón is expected to produce 300,000 ounces of gold at an average cash cost of approximately \$50 to \$60 per ounce of gold.** The mine began commercial production in January 2000 and has replaced reserves every year since.

### Expanding exploration

Meridian Gold has expanded the El Peñón claim block considerably by acquiring claims adjacent to the property, now covering 750 square kilometers. It has explored the Atácama Desert since the early 1990's and were the first mining company to set up a mine.

**Ongoing exploration of Meridian's El Peñón land package and other nearby areas has identified new targets that Meridian hopes will continue to deliver even more ounces - and has led the Company to believe that El Peñón will develop into a major gold district.**

**Furthermore, the same Meridian geologists that discovered El Peñón have identified the geological fingerprint in the Atácama Desert that deposited gold at El Peñón and are working to match these fingerprints in northern Chile.**

### Esquel Project – Southern Argentina – 100% owned by Meridian Gold

In July 2002, Meridian Gold Inc. completed its acquisition of Brancote Holdings Plc, 100% owner of the Esquel gold deposit. Esquel is a high-grade, low sulfidation, epithermal vein gold deposit located in the Cordon de Esquel in the northern Province of Chubut (Patagonia), Argentina. Mining properties cover an area of at least 1,400 square kilometers and are located near an established infrastructure, which facilitates positive logistics for the development of the mine.

As of year-end 2002, existing mineral resources are estimated above 3 million ounces of gold at an average grade of 8.5g/tonne.

**The project is currently paused and there are no current timelines for permitting or construction.**

### Fundamental Considerations

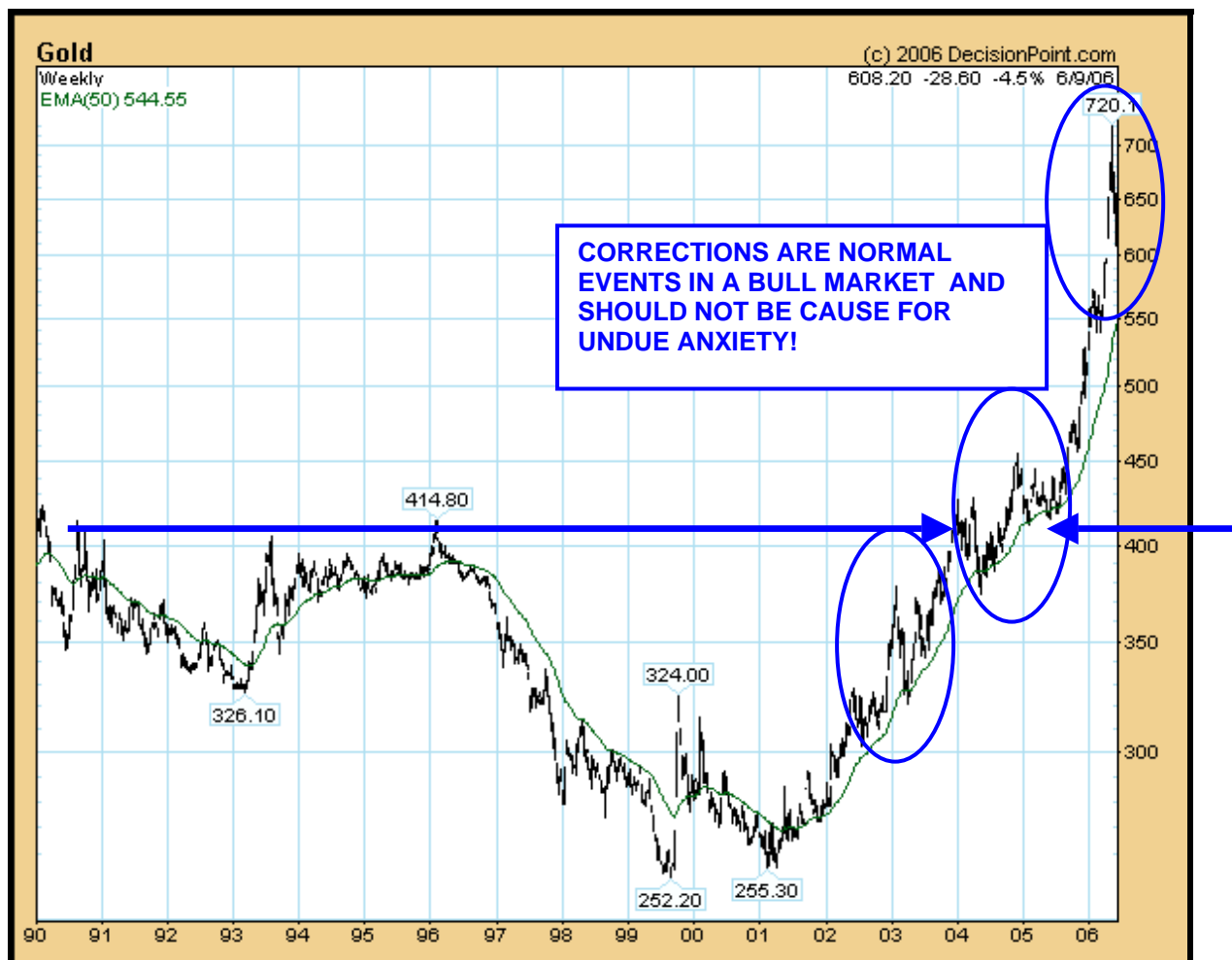
	2006	2005
Gold production	310,000 oz (est.)	304,000 oz
Cash costs	\$0 (est.)	\$38
Reserves and resources		6.2M oz Au 127M oz Ag
Market cap	US\$3.1B (05/31/06)	\$1.7B (05/31/05)

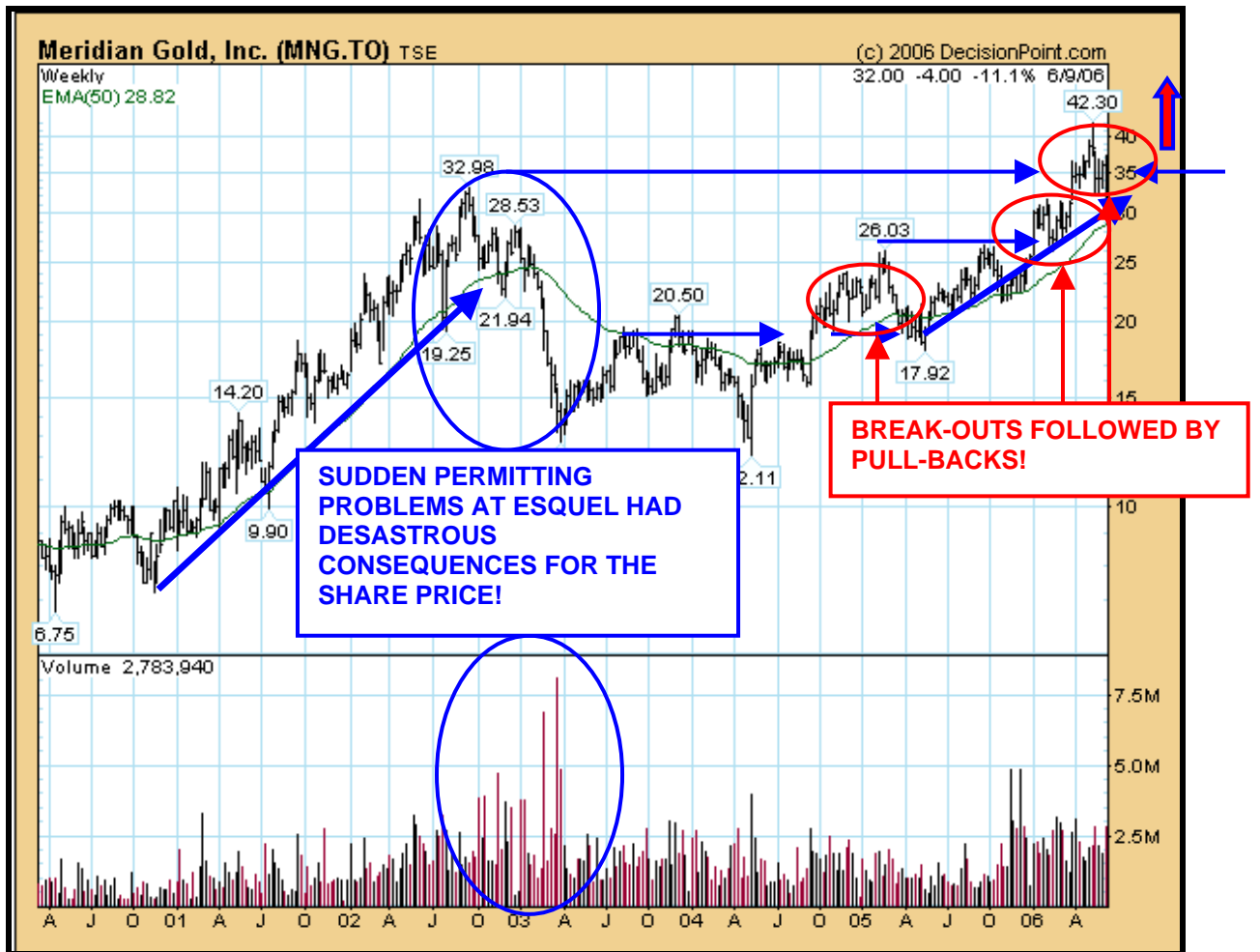
Meridian has a proven track record, a strong asset base and costs under control and is suited for any portfolio that puts quality of assets before speculative gains.

## Meridian

- is one of the lowest cost gold and/or silver producers
- has strong organic growth within the portfolio
- has grass-roots discoveries record second to none
- has growth backed by the strongest organically generated balance sheet in the industry
- generates returns in excess of capital cost

## Technical Considerations





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**THE TIMELESS PRECIOUS METAL FUND**

is a shareholder in the company and will benefit from any increase in the company's share price.

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 Disclosure: The author has not been paid to write this article, nor has he received any other inducement to do so. The author is a shareholder in the company and will benefit from any increase in the company's share price.

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