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Meridian Completes Agreements with Sentient Fund IV

Binding Agreements to restructured debt executed

April 27, 2020 /CNW/ - Meridian Mining S.E. (TSXV: MNO) ("Meridian" or the "Company") today announces that it has executed all debt restructure agreements with Sentient Global Resource Fund IV L.P. ("SGRFIV"), Sentient Executive GP IV Limited ("SEGPIV" and collectively with SGRFIV, "Sentient"). The debts (principal plus interest) will be converted to equity, a Limited Recourse Loan ("LRL") and a 2% net smelter return royalty over the Company's three projects. The issuance of the common shares, the LRL and royalty are subject to the approval of the TSX Venture Exchange and, in the case of the conversion of debt into common shares, is subject to the Company raising CAD 2.5M in new capital.

The highlights of the executed debt conversion agreements¹ are:

- USD 10.5M converted to common shares at a conversion price of CAD 2.50 per share, representing a significant premium to market;
- USD 10.38M to be converted to a LRL:
 - 0% Interest rate;
 - 2-year term;
 - Meridian has a call option to convert the LRL into common shares at a price of CAD 2.50 per share; and
 - In the event the Company completes a sale transaction within three years for an aggregate amount of at least USD 50 million, Sentient is entitled to a cash payment of up to USD 17.5 million, subject to reduction in certain situations including the sale of shares by Sentient.
- USD 3.2M loan to Cancana Resources Corp² ("Cancana") converted to a 2% net smelter return royalty covering each of the following projects :
 - 2% on Espigão polymetallic;
 - 2% Mirante da Serra manganese;
 - 2% Ariquemes tin; and
 - 100% of the royalty on each project can be bought back for USD 2.0M.

¹ for more details see Meridian news release dated March 31, 2020.

² Cancana is a 100% owned subsidiary of Meridian.

The recent restructure and repositioning of the Company (management team, corporate structure, project focus, balance sheet) will allow it to work as a standard junior exploration and resource development company, with costs more in line with industry standards. The Company can now move forward and focus its energies on the Copper-Gold polymetallic project of Espigão and the Mirante da Serra manganese project while having a more standard balance sheet and orderly capital table.

Mr Clark, Interim CEO & President, states, “the signing of the agreements takes away a significant risk to potential new investors and the existing investors of Meridian. The Company is extremely grateful to the historical support that Sentient’s Limited Partners gave, via the loans and it is very focus on growing the equity value of its shares. The Company has put in place long term plans to lower its operating cost and to build the value of its Brazilian portfolio of exploration and resource development projects. In time the Company hopes that all shareholders will benefit from their investment and historical support in Meridian.”

As Sentient is considered to be a “related party” of Meridian, each of the transactions contemplated by the debt conversion agreements are “related party transactions” for purposes of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The debt conversion agreements were entered into on an expedited basis for sound business reasons; however, as a result, the Company did not file the material change report more than 21 days before entering into such agreements. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements available under the financial hardship exemption set out in sections 5.5(g) and 5.7(g) of MI 61-101. The Company was in serious financial difficulty and had no means to repay the debts owing to Sentient. The transactions contemplated by the debt conversion agreements are intended to improve the financial position of the Company. The Company’s board of directors (including all independent directors) have unanimously determined that the terms of the transactions are reasonable in the circumstances of the Company.

Gilbert Clark

Interim CEO, President and Director

ABOUT MERIDIAN

Meridian Mining SE is focused on the acquisition, exploration, development and mining activities in Brazil. The Company is currently focused on exploring and developing the Espigao polymetallic project, the Mirante da Serra manganese project and the Ariquemes tin exploration portfolio in the state of Rondônia, Brazil.

Further information can be found at www.meridianmining.co.

FORWARD-LOOKING STATEMENTS

Some statements in this presentation contain forward-looking information or forward-looking statements for the purposes of applicable securities laws. These statements include, among others, statements with respect to the Company’s plans for exploration, development and exploitation of its properties and potential mineralisation. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such risk factors include, among others, failure to obtain regulatory approvals, failure to complete anticipated transactions, the timing and success of future

exploration and development activities, exploration and development risks, title matters, inability to obtain any required third party consents, operating risks and hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices and one-time events. In making the forward-looking statements, the Company has applied several material assumptions including, but not limited to, the assumptions that: (1) the proposed exploration, development and exploitation of mineral projects will proceed as planned; (2) market fundamentals will result in sustained metals and minerals prices and (3) any additional financing needed will be available on reasonable terms. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.

The Company cautions that it has not completed any feasibility studies on any of its mineral properties, and no mineral reserve estimate or mineral resource estimate has been established. In particular, because the Company's production decision relating to Meridian Mineracao Jaburi S.A, manganese project is not based upon a feasibility study of mineral reserves, the economic and technical viability of the Espigão manganese project has not been established

The TSX Venture Exchange has neither approved nor disapproved the contents of this news release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.