MERIDIAN MINING SE

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in United States dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

(UNAUDITED)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

MERIDIAN MINING SE
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in United States dollars)
(Unaudited)

	As at September 30, 2019	As at December 31, 2018
ASSETS		
Current		
Cash	$ 248,821	$ 201,712
Accounts receivable	256,379	910,626
Prepaid expenses and other assets (Note 4)	490,111	564,619
Inventory (Note 5)	976,506	123,182
	1,971,817	1,800,139
Prepaid expenses and other assets (Note 4)	737,467	790,398
Property, plant and equipment (Note 6)	8,210,014	9,349,318
Exploration and evaluation assets (Note 7)	7,449,882	7,977,937
Goodwill (Note 8)	869,914	932,350
Total assets	$ 19,239,094	$ 20,850,142
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 9)	$ 1,721,344	$ 1,703,704
Provisions (Note 10)	613,513	703,801
Loans payable (Note 11)	22,486,200	-
	24,821,057	2,407,505
Provisions (Note 10)	202,659	189,521
Loans payable (Note 11)	-	17,712,401
Derivative Liability (Note 12)	-	30,090
	25,023,716	20,339,517
Equity (Deficit)		
Share capital (Note 12)	1,775,220	1,775,220
Share premium (Note 12)	58,493,031	58,493,031
Reserves (Note 12)	(10,089,500)	(9,226,390)
Deficit	(55,963,373)	(50,531,236)
Total equity (Deficit)	(5,784,622)	510,625
Total liabilities and equity	$ 19,239,094	$ 20,850,142

Nature of business and going concern (Note 1)
Commitments and contingencies (Note 20)
Subsequent event (Note 21)

On behalf of the Board on November 28, 2019:

"Charles Riopel" Director *"Gilbert Clark"* Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

MERIDIAN MINING SE
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS
(Expressed in United States dollars)
(Unaudited)

	Three months ended September 30 2019	Three months ended September 30 2018	Nine months ended September 30 2019	Nine months ended September 30 2018
Revenues	$ 1,755,322	$ 740,621	$ 3,780,748	$ 6,221,961
Cost of sales (Note 14)	(1,997,641)	(1,743,175)	(4,825,283)	(7,025,791)
	(242,319)	(1,002,554)	(1,044,535)	(803,830)
Operating expenses				
Exploration and evaluation expenses (Note 15)	307,653	271,261	830,760	1,048,463
General and administration expenses (Note 16)	509,212	560,143	1,305,566	2,145,833
Community relations	79,456	98,667	151,704	256,589
Professional fees	63,587	94,058	308,203	547,628
Re-commissioning and standby costs	7,124	24,152	24,865	55,444
Total operating expenses	(967,032)	(1,048,281)	(2,621,098)	(4,053,957)
Loss from operations	(1,209,351)	(2,050,835)	(3,665,333)	(4,857,787)
Finance items				
Mark-to-market revaluation of warrants (Note 12)	-	(10,493)	30,090	1,968,626
Finance income	35	510	25,363	5,533
Finance expense (Note 11)	(508,296)	(379,593)	(1,400,110)	(1,039,223)
Foreign exchange	(151,381)	(72,562)	(65,447)	(450,375)
Total finance expenses	(659,642)	(462,138)	(1,410,104)	484,561
Loss for the period	(1,868,993)	(2,512,973)	(5,075,737)	(4,373,226)
Other comprehensive loss				
Items that may be reclassified to loss				
Foreign currency translation	(1,221,944)	(898,338)	(1,219,510)	(4,621,115)
Other comprehensive loss, net of taxes	$ (3,090,937)	$ (3,411,311)	$ (6,295,247)	$ (8,994,341)
Basic and diluted loss per common share	$ (0.02)	$ (0.02)	$ (0.04)	$ (0.03)
Weighted average number of basic and diluted shares outstanding	163,822,421	163,822,421	163,822,421	163,822,421

The accompanying notes are an integral part of these consolidated financial statements.

MERIDIAN MINING SE
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in United States dollars)
(Unaudited)

	Nine months ended September 30 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (5,075,737)	$ (4,373,226)
Items not affecting cash:		
Accrued finance expense	1,323,799	984,482
Depreciation	706,447	798,017
Mark-to-market revaluation of warrants	(30,090)	(1,968,626)
Unrealized foreign exchange	(115,251)	374,029
Changes in non-cash working capital items:		
Accounts receivable	678,896	359,090
Prepaid expenses and other assets	22,205	703,952
Inventory	(876,912)	(539,146)
Accounts payable and accrued liabilities	151,808	(210,005)
Provisions	(17,282)	(21,201)
Net cash used in operating activities	(3,232,117)	(3,892,634)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset acquisition	(10,296)	-
Additions to property, plant and equipment	(156,859)	(99,006)
Net cash used in investing activities	(167,155)	(99,006)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	3,450,000	3,500,000
Net cash provided by financing activities	3,450,000	3,500,000
Effect of foreign exchange on cash	(3,619)	(145,493)
Net change in cash	47,109	637,133
Cash, beginning of the period	201,712	1,593,587
Cash, end of the period	$ 248,821	$ 956,454

The accompanying notes are an integral part of these consolidated financial statements.

MERIDIAN MINING SE
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(Expressed in United States dollars)
(Unaudited)

	Share Capital			Reserves					
	Shares	Share Capital	Share Premium	Reserves	Share based payments	Warrant reserve	Accumulated other comprehensive loss	Deficit	Total Equity
Balance, December 31, 2017	163,822,421	$ 1,775,220	$ 58,493,031	$ 462,185	$ 1,641,992	$ 13,447	$ (8,104,421)	$ (39,440,194)	$ 14,841,260
Comprehensive loss for the period	–	–	–	–	–	–	(4,621,115)	(4,373,226)	(8,994,341)
Balance, September 30, 2018	163,822,421	$ 1,775,220	$ 58,493,031	$ 462,185	$ 1,641,992	$ 13,447	$ (12,725,536)	$ (43,813,420)	$ 5,846,919
Balance, December 31, 2018	163,822,421	$ 1,775,220	$ 58,493,031	$ 462,185	$ 1,641,992	$ 13,447	$ (11,344,014)	$ (50,531,236)	$ 510,625
Comprehensive loss for the period	–	–	–	–	–	–	(1,219,510)	(5,075,737)	(6,295,247)
Balance, September 30, 2019	163,822,421	$ 1,775,220	$ 58,493,031	$ 462,185	$ 1,641,992	$ 13,447	$ (12,563,524)	$ (55,606,973)	$ (5,784,622)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF BUSINESS AND GOING CONCERN

Meridian Mining SE (the "Company" or "Meridian") was formed in Amsterdam, Netherlands on December 16, 2013. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol MNO. The Company is currently engaged in the exploration, development and exploitation of mineral deposits in Brazil, through its subsidiary, Meridian Mineração Jaburi S.A. ("Jaburi"). Effective August 15, 2017 the Company transferred its official seat from the Netherlands to London, United Kingdom. The Company's head office is located at 6th Floor, 65 Gresham Street, London, SW1E 5RS, United Kingdom.

Going Concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future. The Company has incurred a loss of $6,295,247 (2018 $8,994,341) during the nine-month period ended September 30, 2019. The Company has a working capital deficiency of $22,849,240 at September 30, 2019 (December 31, 2018 $607,366).

The Company has historically relied upon capital contributions and debt facilities provided by its shareholders, to maintain an adequate level of cash to satisfy its capital and operating requirements and expects to continue to depend heavily upon its majority shareholder for financing.

To continue as a going concern, the Company must generate sufficient operating cash flow to fund its capital and operating requirements or secure new funding. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. There can be no assurance that these initiatives will be successful, or sufficient financing, including financing from its majority shareholder, will be available. These material uncertainties may cast significant doubt as to the ability of the Company to meet its business plan and obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These financial statements do not include adjustments to the recoverability and classifications of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The recoverability of the amounts shown for mineral properties is dependent on the existence and economic extraction of resources, the capacity to obtain financing to complete the development of such resources, the ability to obtain the necessary licenses and permits and meet the Company's obligations under various agreements, stability or increases in future commodity prices, and the success of future operations or dispositions of the mineral properties.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and basis of presentation

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. The financial statements of the Company are presented in United States dollars, which is the functional currency of the Company.

The preparation of these financial statements required management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates. Critical estimates and judgments are discussed more fully in the Company's audited financial statements for the year ended December 31, 2018.

(Expressed in United States dollars)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company's subsidiaries as at the statement of financial position dates and the results of all subsidiaries for the years then ended. Subsidiaries are all entities controlled by the Company. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated on consolidation.

These consolidated financial statements include the following 100% held entities as September 30, 2019 and December 31, 2018:

Name of subsidiary:	Jurisdiction of Incorporation	Functional Currency
Ferrometals BV	Netherlands	USD
Ferrometals Management Services Canada Inc	Canada	USD
Ferrometals Serviços do Brasil Ltda	Brazil	BRL
Meridian Mineração Jaburi S.A.	Brazil	BRL
Cancana Resources Corp.	Canada	CAD

Accounting policies of subsidiaries are updated where necessary to ensure consistency with the policies adopted by the consolidated group. Acquisitions of subsidiaries under common control before and after the transaction are recorded at historical carrying value. Subsidiaries under common control are consolidated from the date of acquisition by the ultimate controlling entity.

New and revised standards and interpretations

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2018, except for the following:

Leases - On January 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at January 1, 2019, the date of initial application, resulting in no adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount, plus prepaid lease payments made by the Company. The Company has implemented the following accounting policies permitted under the new standard:

- leases of low dollar value will continue to be expensed as incurred; and
- the Company will not apply any grandfathering practical expedients.

As at January 1, 2019, the Company did not recognize any right-of-use assets as it only had short-term leases.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Certain estimates, such as those related to the recoverability of property, plant and equipment, and exploration and evaluation assets, deferred tax assets and liabilities, depreciation and remaining useful life of assets, and disclosure of contingencies depend on subjective or complex judgments about matters that may be uncertain. Changes in those estimates could materially impact these consolidated financial statements.

Material sources of estimation uncertainty include:

Mineral Production

The Company's mine assets are depleted and amortized on a units of production basis, using the expected amount of future production. The Company does not have a National Instrument 43-101 compliant resource estimate and accordingly uses expected forecasts based on available geological and technical data as a basis for the expected amount of production. Changes to these estimates, which can be significant, could be caused by a variety of factors, including future production differing from current forecasts, development of mineral resources or factors that impact the expected life of the mining operation.

Deferred taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized income tax assets.

The Company's operations involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with tax authorities in various jurisdictions and resolution of disputes arising from tax audits. The Company recognizes potential liabilities and records tax liabilities for anticipated tax audit issues based on its estimate of whether, and the extent to which, additional taxes will be due. The Company adjusts these reserves in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company's current estimate of the tax liabilities. If the Company's estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If the estimate of tax liabilities proves to be greater than the ultimate assessment, a tax benefit would result.

Impairment of property, plant and equipment, and goodwill

The Company considers both external and internal sources of information in assessing whether there are any indications that its cash generating unit ("CGU") including property, plant and equipment, and goodwill is impaired. External sources of information the Company considers include changes in the market, and the economic and legal environment in which the Company operates and affect the recoverable amount of mining interests and goodwill. Internal sources of information the Company considers include the manner in which mining properties, plant, and equipment are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's property, plant and equipment, and goodwill, the Company makes estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the assets and the appropriate discount rate. The projected cash flows are significantly affected by changes in assumptions related to metal selling prices, changes in the amount of future production, and exploration potential, production cost estimates, future capital expenditures, discount rates and exchange rates.

Access to estimated future production and exploration potential of the Company's property, plant and equipment, and goodwill is a key assumption in determining their recoverable amounts. The ability to maintain existing or obtain necessary mining concessions, surface rights title, and water concessions is integral to the access of the production areas and exploration potential.

If the Company determines there has been an impairment because its prior estimates of discounted future cash flows have proven to be inaccurate, due to reductions in manganese prices or demand, increases in the costs of production, reductions in the amounts of production, or other factors the Company would be required to write-down the recorded value of its property, plant and equipment or goodwill in profit and loss.

Share based compensation and mark-to-market revaluation of warrants

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers, employees, and consultants and for the mark-to-market revaluation of share purchase warrants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however the most significant estimate is the volatility. Expected future volatility can be difficult to estimate as the Company has had limited history and historical volatility is not necessarily indicative of future volatility.

Critical management judgments:

Mineral Production, depreciation and depletion

The Company's mine assets are depleted and amortized on a units of production basis, using the expected amount of future production. Changes to these estimates, which can be significant, could be caused by a variety of factors, including future production differing from current forecasts, expansion of mineral resources through exploration activities, difference between estimated and actual cost of mining and other factors impacting production or the expected life of mine assets. The Company does not have a National Instrument 43-101 compliant resource estimate and accordingly uses expected forecasts based on available geological and technical data as a basis for the expected amount of production.

(Expressed in United States dollars)

Recoverability of exploration and evaluation assets

The Company capitalizes the acquisition costs related to its exploration and evaluation assets. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the costs, a judgment is made that recovery of the costs is unlikely, the relevant capitalized amount will be written off to profit and loss.

The recoverability of amounts shown for exploration and evaluation assets is dependent on the existence of economically recoverable reserves, the ability to obtain financing to complete the development of such reserves and meet obligations under various agreements, and the success of future operations or dispositions. If a project does not prove viable, all unrecoverable costs associated with the project net of any related existing impairment provisions are written off.

Determination of cash-generating unit

The Company reviewed its operations and considered all of its manganese operations in Brazil to constitute one CGU due to the proximity of the assets and operations, the shared infrastructure and the future operational plans. This CGU encompasses all of the property, plant and equipment and exploration and evaluation assets, as well as the goodwill, acquired in the Jaburi, Eletroligas and Cancana acquisitions.

4. PREPAID EXPENSES AND OTHER ASSETS

	September 30, 2019	December 31, 2018
Tax credits	$ 210,335	$ 364,484
Prepaid expenses and advances	279,776	200,135
Total	$ 490,111	$ 564,619

The Company is required to pay certain taxes in Brazil that are based on purchases of consumables and property, plant and equipment. These taxes are recoverable from the Brazilian tax authorities through various methods, including as a cash refund or as a credit against current taxes payable. In addition to the tax credit shown above the Company has classified $737,467 (December 31, 2018 - $790,398) as non-current as the Company believes the timing of the recovery of these amounts will be greater than 12 months.

5. INVENTORY

	September 30, 2019	December 31, 2018
Stockpiled ore	$ 962,754	$ 108,443
Consumables and stores	13,752	14,739
Total	$ 976,506	$ 123,182

During the period ended September 30, 2019, $2,991,515 (December, 2018 - $6,029,481) of costs were expensed that were directly attributable to the costs incurred during the production of inventory.

(Expressed in United States dollars)

6. PROPERTY, PLANT AND EQUIPMENT

Cost:	Mine assets	Land and buildings	Vehicles, machinery and equipment	Plant	Office furniture and other	Assets under construction	Total
Balance, December 31, 2017	$ 8,000,647	$ 747,788	$ 2,590,213	$ –	$ 268,251	$ 3,833,202	$ 15,440,101
Additions	1,911	–	4,737	–	63,587	90,040	160,275
Disposals	–	–	–	–	(132,164)	–	(132,164)
Transfers	–	28,167	–	3,581,406		(3,609,573)	–
Transfer tax credits	–	–	–	–	–	(370,360)	(370,360)
Currency adjustment	(1,170,412)	(111,205)	(379,193)	(605,660)	(34,804)	95,840	(2,205,434)
Balance, December 30, 2018	6,832,146	664,750	2,215,757	2,975,746	164,870	39,149	12,892,418
Additions	-	-	171,637	-	-	147,991	319,628
Disposals	-	-	(100)	-	-	(162,663)	(162,763)
Transfers	-	-	-	-	-	-	
Currency adjustment	(457,525)	(44,514)	(159,726)	(199,266)	(11,040)	(1,651)	(873,722)
Balance, September 30, 2019	$ 6,374,621	$ 620,236	$ 2,227,568	$ 2,776,480	$ 153,830	$ 22,826	$ 12,175,561

Accumulated depreciation:	Mine assets	Land and buildings	Vehicles, machinery and equipment	Plant	Office furniture and other	Assets under construction	Total
Balance, December 31, 2017	$ (1,653,125)	$ (180,128)	$ (1,183,115)	$ –	$ (158,692)	$ –	$ (3,175,060)
Additions	(325,779)	(53,856)	(270,746)	(291,123)	(80,651)	–	(1,022,155)
Disposals	–	–	–	–	132,164	–	132,164
Currency adjustment	262,862	29,828	190,554	18,822	19,885	–	521,951
Balance, December 30, 2018	(1,716,042)	(204,156)	(1,263,307)	(272,301)	(87,294)	-	(3,543,100)
Additions	(223,688)	(38,234)	(180,846)	(222,382)	(41,300)	–	(706,450)
Currency adjustment	129,715	16,200	96,562	32,951	8,575	–	284,003
Balance, September 30, 2019	$ (1,810,015)	$ (226,190)	$ (1,347,591)	$ (461,732)	$ (120,019)	$ -	$ (3,965,547)

Net book value:	Mine assets	Land and buildings	Vehicles, machinery and equipment	Plant	Office furniture and other	Assets under construction	Total
December 30, 2018	$ 5,116,104	$ 460,594	$ 952,450	$ 2,703,445	$ 77,576	$ 39,149	$ 9,349,318
September 30, 2019	$ 4,564,606	$ 394,046	$ 879,977	$ 2,314,748	$ 33,811	$ 22,826	$ 8,210,014

(Expressed in United States dollars)

7. EXPLORATION AND EVALUATION ASSETS

Summary of exploration and evaluation assets:

Balance as at January 1, 2018	$	15,375,386
Impaired – Bom Futuro Project		(133,438)
Disposals – Exploration licenses		(5,402,744)
Foreign currency adjustment		(1,861,267)
Balance as at December 31, 2018		7,977,937
Option payment – Mirante da Serra		10,296
Foreign currency adjustment		(538,351)
Balance as at September 30, 2019	$	7,449,882

Title to mineral property interests

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. Title to mineral properties is also subject to the laws and regulations in Brazil, which can be subject to change and may impact the Company's title to its mineral properties. Jaburi has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Jaburi Claims

Prior to 2016, the Company acquired 100% interest in certain exploration claims via a combination of business acquisitions, asset acquisitions and staking. The claims are contiguous to the Company's manganese mine assets in Rondônia, Brazil.

Disposal of exploration licenses

In December 2018 the Company abandoned two exploration licenses due to unfavourable exploration results. The licenses were part of the Cancana acquisition and all related acquisition costs, totalling $5,402,744, were written off.

Bom Futuro - Property Option Agreement

During the year ended December 31, 2016 the Company's subsidiary, Jaburi, entered into a Definitive Investment Agreement (the "Investment Agreement") with Cooperativa de Garimpeiros de Santa Cruz Ltda, ("Coopersanta") and Cooperativa Metalúrgica de Rondônia Ltda, ("Coopermetal") (together the "Cooperatives"), whereby Jaburi can earn an interest in up to three components of the Cooperatives tin operation.

Under the terms of the Agreement:

1) The Cooperatives granted Jaburi a five year Tailings Reprocessing Permit on the Tailings Area, which can be extended for a further 5 years provided Jaburi has incurred $1.5 million (incurred) in exploration expenditures on the area. If Jaburi reprocesses the tailings, the Cooperatives will pay Jaburi a amount fee equal to the cassiterite concentrate pricing less a 20% treatment charge and a 3% royalty for the material;

2) Jaburi has the right to explore an area known as the Central Area and will receive a right of first refusal on the provision of underground mining services to the Cooperatives or on the rights to acquire the area; and

3) Jaburi is required to spend $10.5 million on exploration on the remaining area of the claim, known as the Non-Explored Area by March 15, 2022. Upon completion of the exploration expenditures and a National Instrument 43-101 or Joint Ore Reserves Committee Code compliant feasibility study showing economic potential, the Cooperatives will assign and transfer the rights of the Non-Explored Area to a special purpose company ("SPC"). The SPC will be set up by Jaburi and Coopermetal for the mineral and commercial exploitation of this area, in which Jaburi will hold 80% interest and Coopermetal 20%. In the event Jaburi does not identify a National Instrument 43-101 or Joint Ore Reserves Committee Code compliant feasibility study showing economic potential, the Cooperatives will grant Jaburi a second exploration term of five years provided Jaburi invested $10.5 million in exploration work on the Non-Explored Area. The Company has not commenced exploration on the Non-Explored Area.

In addition, under the terms of the agreement the Company is required to finance the completion of the under construction 69kv power transmission line between Bom Futuro and the City of Ariquemes, which the Company considers to be acquisition costs and capitalized these to the project, Jaburi will become eligible for reimbursement for the work performed on the completion of the power transmission line from Centrais Electricas de Rondônia S/A ("CERON"). Reimbursement is payable in cash, in up to six instalments following the completion of the power transmission line. Should reimbursement from CERON not be made in cash, Jaburi will be reimbursed by offsetting bills for consumed energy.

Disposal of acquisition costs – Bom Futuro Project

During the year ended December 31, 2018 the Company wrote off the capitalized acquisition costs of $133,438 related to the power transmission line project due to a delay in development on the project.

Mirante da Serra, Rondônia

On July 24, 2019 the Company entered into an option agreement to acquire a 100-per-cent interest in the Mirante da Serra manganese project, in Rondônia, Brazil. Following a sequential process related to project and administrative milestone achievements, the Company may at its election, acquire the project for a cumulative consideration of 1,140,000 Brazilian real (approximately $300,000 (U.S.)). The Company is required to make staged payments as follows:

- 40,000 Brazilian reals upon signing (paid – US$10,296);
- 75,000 Brazilian reals upon approval of the final report by the Brazilian National Mining Agency ("ANM") and title transfer to Meridian;
- 125,000 Brazilian reals on the Meridian board of directors' approval of a positive PEA (Plano de Aproveitamento Econômico ("PAE") or Economic Mining Plan);
- 150,000 Brazilian reals following the ANM approval of PAE;
- 250,000 Brazilian real one-year anniversary of ANM approval;
- 500,000 Brazilian reals upon grant and publication of a valid mining licence (Lavra);

The project is subject to a 0.5% NSR, which the Company may purchase back for one million Brazilian real.

(Expressed in United States dollars)

8. GOODWILL

Goodwill was acquired pursuant to the acquisition of Jaburi. Management has allocated goodwill to its manganese operations which is considered as a single CGU.

Balance as at January 1, 2018	$	1,092,098
Foreign currency adjustment		(159,748)
Balance as at December 31, 2018		932,350
Foreign currency adjustment		(62,436)
Balance as at September 30, 2019	$	869,914

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30, 2019		December 31, 2018
Trade payables	$	878,796	$	1,114,435
Payroll liabilities		462,480		530,653
Taxes and fees payable		87,146		58,616
Customer advances		292,922		-
Total	$	1,721,344	$	1,703,704

During August, 2019 the Company entered into a prepayment agreement with a customer and received proceeds of $292,922. The 2,000 tonnes of manganese was delivered subsequent to September 30, 2019.

10. PROVISIONS

		Environmental provision (i)		Other provisions (ii)		Total
Balance, January 1, 2018	$	640,390	$	558,255	$	1,198,645
Spent during the period		(31,884)		-		(31,884)
Accretion		17,984		-		17,984
Accrued during the year		19,127		-		19,127
Change in estimate		-		(134,879)		(134,879)
Foreign currency adjustment		(94,012)		(81,659)		(175,671)
Balance, December 31, 2018		551,605		341,717		893,322
Incurred during the period		(30,027)		-		(30,027)
Accretion		11,471		-		11,471
Foreign currency adjustment		(35,710)		(22,884)		(58,594)
Balance, September 30, 2019	$	497,339	$	318,833	$	816,172

(i) *Environmental provision*

Pursuant to Jaburi's operations in Brazil, the Company is required to rehabilitate its plant and colluvial mining sites, as well as remove all plant and equipment. A provision has been recognized for the requirements to rehabilitate these sites environmentally and decommission the plant and equipment. Environmental liabilities required to rehabilitate sites are considered short term in nature and is included in production costs in the period recognized. Long term environmental liabilities related to decommissioning the plants are recorded at the present value of the estimated costs, assuming risk-free discount rates of 7.5% (2018 – 7.25%) and are expected to be incurred in 2022.

(Expressed in United States dollars)

(ii) *Other provisions*

Various legal, tax and regulatory matters are outstanding from time to time due to the nature of the Company's operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such charges occur. As at September 30, 2019, the Company has recognized a provision of $318,833 (2018 - $341,717) representing management's best estimates of expenditures required to settlement present obligations. The ultimate outcome or actual cost of settlement may vary materially from management estimates due to the inherent uncertainty regarding the Company's estimates.

11. LOANS PAYABLE

	September 30, 2019	December 31, 2018
Balance, beginning of period	$ 17,712,401	$ 12,829,471
Borrowings(i)	3,450,000	3,500,000
Interest expense	1,323,799	1,382,930
Balance, end of period	$ 22,486,200	$ 17,712,401
Current	$ 22,486,200	$ -
Non-current	-	17,712,401
Total	$ 22,486,200	$ 17,712,401

(i) In October 2016, the Company entered into a non-arm's length loan agreement with Sentient Global Resources Fund IV LP for $7,000,000, available in tranches, which was amended and increased to $7,500,000 in August 2017, and to $8,500,000 in December 2017. The loan bears interest at a rate of 10% per annum and is for a term of 1.5 years. On December 31, 2018 the Company negotiated an extension of the maturity date to March 31, 2020.

(ii) In October 2017, the Company entered into a $1,000,000 non-arm's length unsecured short-term loan facility with The Sentient Group Limited, The loan bears interest at 10% per annum. On September 30, 2018 the Company negotiated an extension of the maturity date to March 31, 2020.

(iii) In December 2017, the Company entered into a non-arm's length loan agreement with Sentient Global Resources Fund IV LP for $1,500,000. The loan bears interest at a rate of 10% per annum. On September 30, 2018 the Company negotiated an extension of the maturity date to March 31, 2020. The facility was used to extinguish the convertible note.

(iv) In 2016, prior to the closing of the share exchange the outstanding loan balance of $1,000,000 which Cancana had borrowed from Ferrometals BV was restructured such that Sentient Global Resources Fund IV LP became the counterparty of the loan facility. The interest rate was amended to 10% effective January 1, 2017. On September 30, 2018 the Company negotiated an extension of the maturity date to March 31, 2020.

(v) In June 2018, the Company entered into a $2,000,000 unsecured loan facility with Sentient Global Resources Fund IV LP. The loan bears interest at 10% per annum and was due to mature on September 30, 2019 but was subsequently extended to March 31, 2020.

(vi) In August 2018, the Company entered into a $1,500,000 unsecured loan facility with Sentient Global Resources Fund IV LP. The Company entered into agreements to increase facility from $1,500,000 to $3,000,000 on January 24, 2019, from $3,000,000 to $4,500,000 on April 18, 2019 and from $4,500,000 to $5,200,000 on August 28, 2019. The loan bears interest at 10% per annum and was due to mature on September 30, 2019 but was subsequently extended to March 31, 2020.

12. SHAREHOLDERS' EQUITY

Authorized Capital

As at September 30, 2019 the Company had authorized capital of €5,000,000 and is authorized to issue 500,000,000 common shares with a par value of €0.01.

Issued Capital

The Company has 163,822,421 (2018 - 163,822,421) issued and fully paid shares.

Share capital

Share capital comprises the amount subscribed for at the par value.

Share premium

Share premium comprises the amount subscribed for share capital in excess of par value.

Shares issued

The Company did not complete any share transactions during the period ended September 30, 2019 or during the year ended December 31, 2018.

Reserves - Stock options and warrants

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants			Stock Options		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Outstanding December 31, 2017	12,794,500	CAD$	0.65	8,456,116	CAD$	0.44
Expired / cancelled	-		-	(7,406,116)		0.44
Outstanding December 31, 2018	12,794,500		0.65	1,050,000		0.44
Expired / cancelled	(12,794,500)		-	-		-
Outstanding September 30, 2019	-	CAD$	-	1,050,000	CAD$	0.44
Number currently exercisable	-	CAD$	-	1,050,000	CAD$	0.44

As at September 30, 2019 the following incentive stock options were outstanding:

	Number of Shares	Exercise Price (CAD)	Expiry Date	Remaining Contractual Life (years)
Stock options	1,050,000	$ 0.44	May 17, 2022	2,88

Warrants – Derivative Liability

The Company's warrants, which were attached to the units issued in the May 16, 2017, private placement are denominated in Canadian dollars and are classified and accounted for as a derivative liability at fair value with changes in fair value included in profit or loss. The Company issued 12,734,500 warrants and initially allocated $763,269 to the warrant derivative liability. During the period ended September 30, 2019 all warrants expired, resulting in a fair value of $nil as at September 30, 2019 and a derivative gain of $30,090 from the mark-to-market of the warrant derivative liability.

(Expressed in United States dollars)

Share-based payments

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option is based on the market price of the Company's stock for a period preceding the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The Company did not grant any stock options during the period ended September 30, 2019 or during the year ended December 31, 2018.

13. RELATED PARTIES

a) Key management compensation

	September 30, 2019	September 30, 2018
Salaries, consulting and directors' fees	$ 441,959	$ 682,916
Share-based compensation	-	-

The Company had the following transactions with entities related by way of common directors and/or management:
a) Professional fees of $17,721 (2018 - $25,989) paid to Trustmoore (Netherlands) BV, a company which a director of a subsidiary is an employee of.

As at September 30, 2019 the Company had the following balances due to/from entities related by way of common directors and/or management. These amounts, unless otherwise noted, were unsecured and non-interest bearing.

	September 30, 2019	December 31, 2018
Accounts payable and accrued liabilities	$ 40,719	$ 56,392
Prepaid expenses and other assets	998	15,234

14. COST OF SALES

	September 30, 2019	September 30, 2018
Inventory costs	$ 2,991,515	$ 3,744,171
Royalties and taxes	580,029	878,776
Depreciation and depletion	706,447	798,031
Export costs and freight expenses	547,292	1,604,813
Total	$ 4,825,283	$ 7,025,791

15. EXPLORATION AND EVALUATION EXPENSES

	September 30, 2019	September 30, 2018
Assays	$ 1,133	$ 6,963
Consulting – geological and other	99,643	147,583
Equipment and maintenance	59,664	9,366
Fees and licenses	214,986	195,421
Field expenditures and road construction	24,963	58,711
Other	20,712	28,273
Payroll	340,318	531,983
Professional fees	-	199
Room and boarding	69,341	69,974
Total	$ 830,760	$ 1,048,463

(Expressed in United States dollars)

16. GENERAL AND ADMINISTRATION EXPENSES

	September 30, 2019	September 30, 2018
Consulting	$ 126,687	$ 148,394
Investor relations and shareholder communication	12,727	11,572
Insurance	97,583	117,757
Management and director fees (Note 13)	322,654	602,456
Office and miscellaneous	146,957	188,797
Payroll	343,475	534,189
Rent	50,527	137,006
Subscriptions and licenses	38,854	33,145
Telephone and information technology	83,567	192,254
Travel	74,480	145,181
Other	8,055	35,082
Total	$ 1,305,566	$ 2,145,833

17. CAPITAL MANAGEMENT

The capital structure of the Company consists of equity attributable to common shareholders totaling $(6,295,247) (2018 - $14,330,635), comprising of share capital of $1,775,220 (2018 - $1,775,220), share premium of $58,493,031 (2018 - $58,493,031), reserves of ($10,445,900) (2018 – ($9,226,390)), and deficit totaling $55,606,973 (2018 - ($50,531,236)). The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank sponsored instruments. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

18. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments

The Company is required to disclose the fair value of each class of financial assets and liabilities in the financial statements. Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability. either directly (i,e,, as prices) or indirectly (i,e,, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables and advances, accounts payable and accrued liabilities, and loan payable approximates fair value due to the short-term nature of the financial instruments. Cash is carried at its fair value using level 1 inputs.

Risk management

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include, credit risk, currency risk, interest rate risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and receivables. The Company deposits cash with high credit quality financial institutions as determined by rating agencies, Receivables and advances are mostly due from suppliers and contractors. Trade receivables are due from well-known customers, and the carrying amount of the financial assets represents the maximum credit exposure.

Currency risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in US dollars, Canadian dollars, Brazilian reals and Euro, while revenues are received in either US dollars or Brazilian real. Hence, any fluctuation of the US dollar in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities.

As at September 30, 2019 the Company is exposed to foreign exchange risk through the following financial assets and liabilities denominated in currencies other than the function currency of the applicable company:

	US dollar	Canadian dollar	Euro
Cash	$ 950	$ 34,092	$ 2,974
Accounts receivable	-	672	-
Total Assets	950	34,764	2,974
Accounts payable and accrued liabilities	-	(56,460)	(1,855)
Net Assets	$ 950	$ (21,696)	$ 1,119

Based on the above net exposures as at September 30, 2019, a 10% appreciation in the US dollar against the Brazilian Real would not result in a significant impact to the Company's earnings before taxes. A 10% appreciation in the Canadian dollar against the US dollar would result in an approximate $2,000 decrease to the Company's earnings before income taxes A 10% appreciation in the Euro against the US dollar would not result in a significant impact to the Company's earnings before income taxes.

The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange.

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. None of the Company's debt is subject to floating interest rates. The Company does not believe its interest rate risk is significant.

(Expressed in United States dollars)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities.

The Company has historically relied upon capital contributions and related party debt financing and maintaining an adequate level of cash to satisfy its capital requirements and will continue to depend heavily upon these financing activities. All of the Company's accounts payable and accrued liabilities are subject to normal trade terms. The Company is exposed to risk that it will encounter difficulty in satisfying liabilities on maturity.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company will need additional capital in the future to finance ongoing exploration of its properties, such capital is expected to be derived from the completion of equity financings. The Company has limited financial resources, has minimal source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and the willingness of its parent company to continue to lend as well as exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

As at September 30, 2019, the Company's liabilities that have contractual maturities are as follows:

	December 31, 2019	December 31, 2020	December 31, 2021	Total
Accounts payable and accrued liabilities	$ 1,721,344	$ -	$ -	$ 1,721,344
Provisions	613,513	-	202,659	816,172
Loans Payable	-	22,486,200	-	22,486,200
	$ 2,334,857	$ 22,486,200	$ 202,659	$ 25,023,716

The fair value of the Company's loans payable is approximated by the carrying values as the contractual interest rates are comparable to current market interest rates.

19. SEGMENTED INFORMATION

The Company's sole operation is the Jaburi mine in Rondônia, Brazil. Accordingly, the chief decision makers consider Meridian to currently have one segment and, therefore, segmented information is not presented.

20. COMMITMENTS AND CONTINGENCIES

A significant portion of the Company's operations are located in Brazil. From time to time various legal, labour, environmental and tax matters are outstanding due to the nature of both current and historical operations. The Company has taken and continues to take all necessary and available steps to comply with relevant laws and regulations, however there is no assurance such steps will be successful.

Royalties

The Company pays royalties to landowners as well as the Brazilian government. Royalties to landowners are determined based on individual negotiated agreements, usually at a rate of 1.5% of net sales proceeds on the sale of manganese oxide material, while royalties of approximately 3% of sale proceeds on the sale of manganese oxide material are paid to the Brazilian government,

Buffer Zone

The Company has been advised that due to certain Jaburi tenements being in close proximity to indigenous title land, Jaburi could be affected by a civil public action between two Brazilian government departments.

Jaburi currently owns several tenements, which border the Povo Cinta Larga indigenous land. Due to illegal diamond mining activities by third parties within the Povo Cinta Larga indigenous land and surrounding areas, the Brazilian Federal Prosecutor's Office (the "FPO") has filed a civil public action against the ANM. The FPO is requesting the ANM to withdraw all existent research applications and mining authorizations within the indigenous land of Povo Cinta Larga and surrounding area adjacent to the indigenous land (buffer zone). The ANM has filed appeals to block the FPO civil public action and the final ruling is pending.

If there is an eventual imposition of a buffer zone, this would have a material impact on Jaburi's tenements as some of Jaburi's tenements straddle or are wholly within the proposed buffer zone.

Jaburi has retained legal counsel to represent them in this issue who are filing various legal actions to defend their interests. At this point in time, management has determined it is more likely than not that there will be no amount owing, and therefore no liability has been accrued.

21. SUBSEQUENT EVENT

On October 22, 2019 the Company granted 15,200,000 stock options to directors, officers, employees, consultants and advisors of the Company. Each stock option is exercisable into one common share at a price of CAD$0.07 per common share for a term of five years.