

REGISTERED OFFICE
MARENGO MINING LIMITED
Level 2, 9 Havelock Street
WEST PERTH WA 6005
Tel: (08) 9429 0000 Fax: (08) 9429 0099

SHARE REGISTRY
Security Transfer Registrars Pty Ltd
All correspondence to:
PO BOX 535, APPLECROSS WA 6953
Tel (08) 9315 2333 Fax (08) 9315 2233
EMAIL: registrar@securitytransfer.com.au

15 January 2008

«NAME»
«ADD_1»
«ADD_2»
«ADD_3»
«ADD_4»
«ADD_5»

Holder No: «HOLDER_NO»
No of Options Held: «OPTIONS»
Amount to Pay: «AMOUNT»

Dear Option Holder

YOUR OPTIONS TO ACQUIRE MARENGO MINING LIMITED SHARES AT 20 CENTS PER SHARE EXPIRE ON 28 FEBRUARY 2008

We are writing to you as a registered holder of 28 February 2008 options in MARENGO MINING LIMITED to remind you that the options will expire at 5:00pm (WST) on 28 February 2008.

Your option holding may be exercised in whole or in part by payment of 20 cents for each option by no later than 28 February 2008. If payment is not received by 5:00pm (WST) on 28 February 2008 the options will lapse and all rights under the options will cease at that time.

Some of the courses of action available to you as a holder of these soon to expire options are:

- a) Exercise the options on or before 28 February 2008.
- b) Sell your options. Quotation of the options will cease at the close of trading on 21 February 2008.
- c) Do nothing (ie. allow your options to expire). If you do not exercise or sell your options they will expire on 28 February 2008 and your right to subscribe for ordinary shares in Marengo Mining Limited at 20 cents per share will lapse.

There is no obligation on option holders to exercise their options. However, under paragraph 6.1 of Appendix 6A of the Australian Stock Exchange (**ASX**) Listing Rules, the Company is required to advise option holders of the information contained in this notice.

The market sale price of ordinary shares in Marengo Mining Limited on ASX was 30 cents on 14 January 2008, being the last trading day in Perth prior to the date of this notice.

During the three (3) months preceding the date of this notice:

- the highest market sale price of ordinary shares on ASX was 43 cents on 15 and 22 October 2007; and
- the lowest market sale price of ordinary shares on ASX was 30 cents on 14 January 2008.

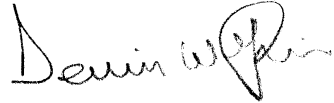
If you wish to exercise your options then you must complete your "Notice of Exercise of Options" form included with this notice and forward it together with payment of 20 cents per option exercised to be received no later than 5:00pm (WST) on **28 February 2008** to the Company's share registry, being:

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

OR 770 Canning Highway
APPLECROSS WA 6953

Cheques should be made payable to "MARENGO MINING LIMITED" in Australian dollars only and should be crossed "Not negotiable". If you have any further questions please do not hesitate to contact our Registry on telephone (08) 9315 2333, facsimile (08) 9315 2233, or e-mail registrar@securitytransfer.com.au.

Yours faithfully

A handwritten signature in black ink, appearing to read "Dennis Wilkins". The signature is written in a cursive style with a large, prominent initial 'D'.

Dennis Wilkins
COMPANY SECRETARY

Att

MARENGO MINING LIMITED

ACN 099 496 474

TERMS AND CONDITIONS OPTIONS expiring 28 February 2008 @ 20 cents (MGOO)

1. Exercise of Options

- (a) An option is exercisable by the registered option holder lodging the notice of exercise of option in the form set out below together with, subject to option terms 7, 8 and 9, the Exercise Price for each share to be issued on exercise and the relevant option holding statement, at any office of the Company's share registrar. The exercise of some options only does not affect the registered option holder's right to exercise other options at a later time.
- (b) Remittances must be made payable to the Company and cheques should be crossed "not negotiable".
- (c) Options may be exercised at any time on or before 5.00pm on 28 February 2008.
- (d) An option not exercised by 5.00pm on 28 February 2008 lapses.

2. Transfer

- (a) Subject to this option term 3 and any restrictions imposed by ASX, options may be transferred at any time before lapsing.
- (b) Subject to this option term 3, options are transferable by any standard form of transfer. Executed and stamped transfers will be recorded in the Company's option register on lodgement of the transfer at any office of the Company's share registrar. The Company will issue a new holding statement in the name of the transferee for the number of options so transferred.

3. Quotation

The Company must apply to the ASX for official quotation of the shares issued on any exercise of an option.

4. Dividends

Shares issued on any exercise of an option will rank pari passu with all existing ordinary shares in the capital of the Company from the date of issue and will be entitled to each dividend for which the books closing date for determining entitlements falls after the date of issue.

5. Bonus issue

If the Company makes a bonus issue of shares or other securities pro rata to holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) at a time when:

- (a) an option has not been exercised in full; or
- (b) an option has been exercised, but shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the bonus issue,

then the number of shares over which the option is exercisable or has been exercised (as the case may be) will be increased by the number of securities which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

6. Rights issue

If the Company makes an offer of ordinary shares pro rata to all or substantially all holders of ordinary shares (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) where $(S + D)$ (as defined below) exceeds P (as defined below) at a time when:

- (a) an option has not been exercised in full; or
- (b) the option has been exercised, but shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the rights issue.

then the Exercise Price per share will be reduced according to the following formula:

$$O^1 = \frac{O - E(P - S + D)}{N + 1}$$

Where:

- O^1 = the new Exercise Price per share
- O = the old Exercise Price per share
- E = the number of shares into which one option is exercisable
- P = the average market price of fully paid ordinary shares (weighted by reference to volume) sold in the ordinary course of trading on the ASX during the 5 trading days before the ex rights date or ex entitlements date
- S = the subscription price (application money plus calls) for new shares issued under the rights issue
- D = if the ordinary shares are trading on the ASX on a ex dividend basis, the (if any) dividends (on a per share basis) which have been declared but not yet paid is existing shares (except those to be issued under the rights issue)
- N = number of shares required to be held to receive a right on one new share.

The number of shares which the option holder is entitled to subscribe for on exercise of the option is to remain unchanged.

7. Reconstruction

The rights of an option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

8. Advice

The Company must give notice to the option holder of any adjustment to the number of shares which the option holder is entitled to subscribe for or be issued on exercise of the option or the exercise price per share in accordance with the Listing Rules.

9. Right to participate in future issues

The option holder may only participate in new issues of securities to holders of shares to the extent the option has been exercised, if that is permitted by its terms, and the shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give notice to the option holder of any new issue before the books closing date for determining entitlements to the issue in accordance with the Listing Rules.

NOTICE OF EXERCISE OF OPTION

MARENCO MINING LIMITED
Level 2, 9 Havelock Street
WEST PERTH WA 6005

Security Transfer Registrars Pty Ltd **Holder No:** _____
PO BOX 535
APPLECROSS WA 6953
Ph: 08 9315 0933 Fax: 08 9315 2233

I/We _____
of _____
being the registered holder(s) of the options, hereby exercise my/our options to apply for:

Number in words
Shares at a price of 20 cents per share.

Number in figures

I/We enclose application money of \$_____ and authorise you to register me/us as the holder of the shares to be allotted to me/us and I/we agree to accept such shares subject to the Constitution of the Company.

Individual or Securityholder 1

Director

Securityholder 2

Director/Secretary

Securityholder 3

Sole Director or Sole Secretary

DATED: _____
DAY MONTH YEAR

This application, with application money in Australian Currency, should be lodged at the Company's Share Registry on or before the Expiry Date.

NOTE: Cheques should be made payable to **MARENCO MINING LIMITED** and forwarded to Security Transfer Registrars Pty Ltd