



MARENGO
MINING LIMITED

ACN 099 496 474

CODE FOR DEALING IN SECURITIES

1. INTRODUCTION

This Code for Dealing in Securities (“**Code**”) sets out the requirements for Directors, employees, consultants and contractors of Marengo (collectively “**Marengo Personnel**”) dealing in Marengo securities. In order to ensure that Marengo Personnel do not inadvertently breach the insider trading provisions of the Australian Corporations Act, Marengo Personnel are generally only permitted to deal in Marengo securities in limited circumstances determined by this Code. These limited circumstances are called “**trading windows**” and are determined by the provisions of this Code.

Even during trading windows, **prior to any dealing in Marengo securities** a dealing request must be submitted to and approved by the Managing Director or his delegate or, in the case of Marengo Directors (other than the Chairman) by the Chairman. Such approval shall be in the form approved by the Managing Director from time to time and shall include electronic approval via email.

Subject to the overriding restriction that persons may not deal in any securities when they are in possession of inside information, Marengo Personnel may not deal in Marengo securities during the periods set out in section 3 of this Code.

2. PROHIBITED CONDUCT UNDER INSIDER TRADING PROVISIONS

2.1 The Company

As a matter of law, all Marengo Personnel must not deal (meaning any change whatsoever including, but not limited to, any sale, purchase, exercise of options (even if due to expire), discharge of any right or obligation, or transfer) in Marengo securities where:

- they possess information which is not generally available;
- that information may have a material effect on the price or value of Marengo securities; and



- they know or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the price of Marengo securities, as such information constitutes inside information.

2.2 Other Companies

The laws regarding insider trading extend to dealings in securities of any companies about which a person possesses material price sensitive information which is not generally available including, for example, companies in a joint venture with Marengo.

3. RESTRICTIONS

Subject to section 4, the following restrictions apply:

- (a) No Marengo Personnel are permitted to deal in Marengo securities in the following periods:
 - two weeks before the release of Marengo's quarterly reports;
 - two weeks before the release of Marengo's annual results;
 - two weeks before the release of Marengo's half yearly results.
- (b) No Marengo Personnel are permitted to deal in Marengo securities on the day of release or the day immediately following the release of quarterly, half yearly or annual financial results.
- (c) No Marengo Personnel are permitted to deal in Marengo securities during a trading window when Marengo is considering matters which are subject to ASX Listing Rule 3.1A or there exists any matter which constitutes inside information in relation to Marengo securities (whether or not such person has knowledge of such matter) and the proposed dealing would (if permitted) take place before the time when it has become reasonably probable that an announcement will be required in relation to that matter. This is a measure for the benefit and protection of Marengo Personnel and Marengo to ensure dealing in Marengo securities by Marengo Personnel is, at all times, transparent and free of any potential controversy.
- (d) No Marengo Personnel are permitted outside trading windows to deal in derivative products issued or created over or in respect of Marengo securities.

Marengo options for Marengo ordinary shares may only be exercised in accordance with the terms and conditions of those options and in accordance with the requirements governing their issue, and, further, in accordance with this Code. In addition, any dealing of Marengo securities acquired upon exercise of Marengo options must only occur in accordance with this Code.

4. EXCEPTIONS TO RESTRICTIONS

The restrictions outlined in section 3 above do not apply in the following circumstances:

- (a) Where the dealing results in no change in the beneficial ownership of the Marengo securities;
- (b) Where the dealing occurs via investments in a scheme or other arrangement where investment decisions are made by a third party, independently of any Marengo Personnel;
- (c) Where the dealing occurs under an offer to all or most of the holders of Marengo securities such as in a rights issue or pursuant to a takeover offer;
- (d) Where the dealing is the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, where the final date for exercise of the option or right falls outside a trading window and the relevant Marengo Personnel could not reasonably have been expected to exercise it at a time when free to do so.

5. SEVERE FINANCIAL HARDSHIP

Marengo Personnel, who are not in possession of inside information, may apply for and be granted approval to deal in Marengo securities outside a trading window where they are in severe financial hardship or other exceptional circumstances apply and the authoriser is satisfied that the situation is exceptional. The Chair and/or Managing Director may give written approval to proceed to sell an agreed number of Company Securities within a specified time frame. This mechanism is to be exercised with caution. Severe financial hardship will be found to exist if the relevant Marengo Personnel has a pressing financial commitment which cannot be satisfied otherwise than by selling the relevant Marengo securities.

A limited period in which to trade should be granted, being 5 ASX Business Days, and the closing date during which Securities can be traded should be notified to the individual and the Company Secretary. The Company may require the Employee to swear a statutory declaration in support of their claim of financial hardship.

**6. CLEARANCE
REQUEST PRIOR TO
DEALING**

All Marengo Personnel wishing to deal in Marengo securities within a trading window must request prior approval. The Managing Director or his delegate will determine such requests except in the case of Marengo Directors (other than the Chairman) where such requests will be determined by the Chairman.

**7. GENERAL
OBSERVATIONS**

If any Marengo person possesses inside information that is not generally available, such person is prohibited by law from procuring any other person to deal in those securities and from directly or indirectly communicating the information to another person who the Marengo person believes is likely to deal, or procure another person to deal, in those securities.

It is important that any Marengo person who possesses inside information that is not generally available does not recommend or otherwise suggest to any person or associates (including a spouse, relative, friend or any trustee of a trust or family company) to deal in Marengo securities.

Accordingly, this Code applies equally to persons acting for Marengo Personnel or with whom it may appear Marengo Personnel may communicate the inside information – that is, the spouse, children, family trusts, family companies of Marengo Personnel or other associates of Marengo Personnel must not deal in Marengo securities otherwise than in accordance with this Code.

Marengo Personnel should also ensure that before any external body of which they are a member, director, representative or trustee (for example, personal or family superannuation funds) undertakes any dealing regarding Marengo securities, that such dealing in Marengo securities complies with this Code.

This Code will be administered by the Company Secretary with input from the Chairman. The Company Secretary will be available to answer any questions you may have in relation to it. However, neither Marengo nor the Company Secretary is to be held responsible for any answers or any act or omission by you in reliance on those answers. It is your responsibility to comply with the law so if you are in any doubt you should obtain your own legal advice.

This Code is subject to regular review by the Board and will be amended as and when appropriate. Material amendments are to be notified to the ASX.

Approved by the Marengo Board on 22 December 2010.