



ABN 57 099 496 474

**NOTICE OF GENERAL MEETING
AND
EXPLANATORY STATEMENT
AND
MANAGEMENT INFORMATION CIRCULAR
AND
PROXY FORM**

**in respect of a
GENERAL MEETING OF SHAREHOLDERS**

to be held at 11:00 am (WST) on, 12 October 2012

LEVEL 1, 9 HAVELOCK STREET, WEST PERTH

As at and dated 24 August 2012

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

MARENGO MINING LIMITED
ABN 57 099 496 474

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting (the "**Meeting**") of holders (the "**Shareholders**") of ordinary shares of Marengo Mining Limited ABN 57 099 496 474 (the "**Company**") will be held at **Level 1, 9 Havelock Street, West Perth, Western Australia** on, 12 October 2012 at **11:00 am WST** for the purpose of transacting the following business.

Resolution 1 – Ratification of Allotment and Issue of Shares – Canadian Offering

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Company approves and ratifies the allotment and issue of 133,333,333 Shares at an issue price of C\$0.15 per Share issued on terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue the subject of Resolution 1 and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Approval of the grant of Performance Rights to Mr Leslie Emery

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 10.14 and section 208 of the Corporations Act and for all other purposes the Directors be and are hereby authorised to grant 10,000,000 Performance Rights for no consideration under the Marengo Mining Limited Performance Rights Plan, to Mr Leslie Emery or his nominee, on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of a Director. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on this Resolution unless the appointment specifies the way the proxy is to vote on this Resolution, or the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution.

Other Business

To Deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Definitions

For the purposes of Resolutions 1 and 2 and the Explanatory Statement accompanying this Notice, the following definitions apply (unless otherwise defined in the Explanatory Statement):

"**Accounting Standards**" has the meaning given to that term in the Corporations Act;

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors;

"**Closely Related Party**" has the meaning given to that term in the Corporations Act;

"**Company**" means Marengo Mining Limited ABN 57 099 496 474;

"**Constitution**" means the Company's constitution, as amended from time to time;

"**Corporations Act**" means Corporations Act 2001 (Cth);

"**Directors**" means the directors of the Company;

"**Explanatory Statement**" means the explanatory statement accompanying this Notice;

"**Key Management Personnel**" has the meaning given to that term in the Accounting Standards.

"**Listing Rules**" means the Listing Rules of the ASX;

"**Management Information Circular**" means that management information circular accompanying this Notice of Explanatory Statement;

"**Meeting**" means the general meeting of the Shareholders of the Company to be held at Level 1, 9 Havelock Street, West Perth, Western Australia on, 12 October 2012 at 11:00am WST;

"**Notice**" means this notice of the Meeting;

"**Performance Right**" means a right to acquire a Share granted on specific terms;

"**PRP**" means the Marengo Mining Limited Performance Rights Plan;

"**Resolution**" means a resolution contained in this Notice;

"**Restricted Voter**" means Key Management Personnel and their Closely Related Parties.

"**Share**" means a fully paid ordinary share in the capital of the Company;

"**Shareholder**" means the holder of a share;

"**TSX**" means the Toronto Stock Exchange; and

"**WST**" means Australian Western Standard Time.

Shareholders are referred to the Explanatory Statement and Management Information Circular for more information with respect to the matters to be considered at the Meeting.

Shareholders are referred to the Explanatory Statement and Management Information Circular for more information with respect to these matters to be considered at the Meeting.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in accordance with its instructions and in accordance with the following:

1. in respect of Shareholders registered on the Company's Australian share register, prior to 11:00 am WST on 10 October 2012 by:
 - (i) facsimile to the Company at (08) 9429 0099 (International +61 8 9429 0099) or to Computershare Investor Services Pty Ltd at 1 800 783 447 (International: +61 3 9473 2555); or
 - (ii) delivery to the registered office of the Company at Level 1, 9 Havelock Street, West Perth, Western Australia 6005 or Computershare Investor Services Pty Ltd at Level 1, 45 St George's Terrace, Perth, Western Australia 6000; or
 - (iii) mail, to the Company at PO Box 289, West Perth, Western Australia 6872 or Computershare Investor Services Pty Ltd at GPO Box 242, Melbourne, Victoria, 3001.
2. in respect of Shareholders registered on the Company's Canadian register, prior to 11:00 am WST on 10 October 2012 by mail to Computershare Investor Services Inc, at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 or by facsimile at 1 866 249 7775.
3. in respect of Shareholders registered on the Company's Papua New Guinea register, not later than 48 hours prior to the Meeting, or any adjournment thereof (excluding Saturdays, Sundays and holidays) by mail to PNG Registries Limited Level 2, AON Haus McGregor Street, Port Moresby, PO Box 1265, Port Moresby, NCD, Papua New Guinea or by facsimile 675 321 6379.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

If you are a beneficial Shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

The directors of the Company have fixed 7 September 2012 as the record date for Shareholders that are entitled to receive notice of the Meeting and 5.00 p.m. WST on 10 October 2012 as the record date for Shareholders entitled to vote at the Meeting.

By Order of the Board of Directors



John Ribbons
Company Secretary

Dated: 24 August 2012

MARENGO MINING LIMITED
ABN 57 099 496 474

EXPLANATORY STATEMENT AND MANAGEMENT INFORMATION CIRCULAR

This Explanatory Statement and Management Information Circular is furnished in connection with the solicitation of proxies by Marengo Mining Limited ("**Marengo**" or the "**Company**") for use at the general meeting of the Shareholders to be held on 12 October 2012 at 11:00 am WST, and any adjournment thereof (the "**Meeting**"), at the place and for the purposes set forth in the accompanying notice of meeting attached hereto (the "**Notice**").

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the matters set forth in the Notice for approval at the Meeting. The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision regarding the matters set forth in the Notice.

Resolution 1 Background

As announced on 11 July 2012, the Company completed an equity raising in Canada (the "**Offering**"). The Offering was led by Paradigm Capital Inc. ("**Paradigm**") and included Casimir Capital Ltd as an agent (collectively, the "**Agents**") to raise gross proceeds of C\$20,000,000 (before costs) through the issue of 133,333,333 Shares at an issue price of C\$0.15 each.

The net proceeds of the Offering will be used to finalise Marengo's feasibility study ("**FS**"), advance the Company's district exploration program at the Yandera copper-molybdenum-gold deposit located in Madang Province, Papua New Guinea (the "**Yandera Project**"), as well as for permitting and other pre-construction expenditures relating to the Yandera Project.

Marengo is an exploration and feasibility stage mining company with its principal asset being the Yandera Project. The Company's primary focus is to complete the FS and to continue a district exploration program focusing on the area surrounding the Yandera central resource.

Resolution 1 - Ratification of Allotment and Issue of Shares

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore the right of the Company to issue further shares up to 15% of the issued capital of the Company during the next 12 months without requiring shareholder approval.

Resolution 1 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify previous issues of Shares. The Company confirms that the allotment and issue of the Shares the subject of Resolution 1 did not breach ASX Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Statement for that purpose:

1. 133,333,333 Shares were allotted and issued by the Company;
2. the issue price per Share was C\$0.15;
3. the Shares rank equally with existing ordinary fully paid ordinary shares on issue in the Company;
4. the Shares were allotted to investors introduced by Paradigm Capital Inc. and Casimir Capital Ltd, all of whom are unrelated parties of the Company;
5. C\$20,000,000 (less costs) raised from the issue of Shares will be used to finalise Marengo's FS, advance the Company's district exploration program at the Yandera Project, as well as for permitting and other pre-construction expenditures relating to the Yandera Project; and
6. a voting exclusion statement is included in the Notice.

The Directors recommend shareholders vote in favour of Resolution 1 as it will provide the Company with further flexibility should any share issue be considered desirable or advisable in the next 12 months.

Resolution 2 – Approval of the grant of Performance Rights to Mr Leslie Emery

The Performance Rights

The Company proposes to grant 10,000,000 Performance Rights to Mr Leslie Emery or his nominee.

The Managing Director and Chief Executive Officer faces considerable ongoing responsibilities and challenges in his role within the Company. The grant of the Performance Rights to Mr Emery will provide a long term incentive for outstanding performance and promote his opportunities for Share ownership in the Company.

The Performance Rights will be granted as soon as possible following the Meeting and one third of the Performance Rights will vest on the satisfaction of each of the following vesting conditions:

1. Obtaining Project Financing for the Yandera Project;
2. 50% Completion of the Construction of the Yandera Project; and
3. First Production from the Yandera Project.

Subject to achievement of the Performance Conditions, one Share will be issued for each Performance Right that has vested.

Chapter 2E of the Corporations Act – Related Party Transactions

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Emery is a related party of the Company by virtue of section 228(2) of the Corporations Act. The issue of Performance Rights to the Managing Director constitutes a grant of a financial benefit for the purposes of Chapter 2E of the Corporations Act and therefore requires Shareholder approval. It should be noted that Performance Rights are also being granted to other employees and senior management of the Company at the same time, however only the Managing Director's Performance Rights are classified as a benefit to a related party.

Information for Shareholders in respect of Chapter 2E

For the purpose of obtaining Shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular section 219, the following information is provided to Shareholders to allow them to assess whether or not to approve the grant of the Performance Rights to Mr Emery under Resolution 2.

1. **(Identity of the related party):** The related party of the Company to which a financial benefit may be given under Resolution 2 is Mr Emery.
2. **(Nature of the financial benefit):** The financial benefits to be provided to Mr Emery under Resolution 2 are Performance Rights. Mr Emery will not be required to make any payment for the grant of the Performance Rights or on the exercise of a vested Performance Right. The maximum number of Performance Rights that could vest, and hence be exercised by Mr Emery under Resolution 2 is 10,000,000.
3. **(Directors recommendations to members and reasons):** All of the Directors apart from Mr Emery recommend that Shareholders vote in favour of Resolution 2 as they believe the granting of these Performance Rights to Mr Emery will align his rewards with the long-term creation of value for

Shareholders. Mr Emery has a material personal interest in the outcome of Resolution 2 and has abstained from any deliberation and voting, or making a recommendation in relation to Resolution 2.

4. **(Directors' interests in the outcome of the Resolutions):** If Resolution 2 is passed, Mr Emery will become entitled to the Performance Rights as set out above together with the rights and entitlements associated with being a holder of such Performance Rights. None of the other Directors (other than Mr Emery) have a relevant interest in the outcome of Resolution 2.

5. **(Value of the financial benefit):**

The indicative Performance Right valuation of 12.5 cents is a theoretical valuation of each option using the Market Value Model.

The Company's advisers have valued the Performance Rights to be granted to Mr Emery using the Market Value Model. The value of Performance Rights calculated by the Market Value Model is a function of the closing share price at the valuation date. The valuation of the Performance Rights has been prepared using the following assumptions:

Details	Input
Share price	\$0.125*
Conversion Price	Nil
Valuation Date	24 August 2012
Expiry Date	12 October 2017
Value per Performance Right	\$0.125

* Based on the current Share price at the date of this Notice being 24 August 2012

Director	Number of Performance Rights	Value
Mr Leslie Emery	10,000,000	\$1,250,000

Based on the assumptions, it is considered that the value of the Performance Rights to be granted to Mr Emery is 12.5 cents per Performance Right.

Any change in the variables applied in the calculation between the date of the valuation and the date the Performance Rights are granted would have an impact on their value.

6. **(price history):** The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 24 August 2012:

Highest Price (cents) / Date	Lowest Price (cents) / Date	Latest Price / Date
30 cents / 2 March 2012	11 cents / 13 August 2012	\$0.125

7. **(dilutionary effect):** The Company currently has 1,137,720,551 listed Shares and the following unlisted Options on issue:

Number	Exercise Price	Expiry Date
56,860,750	C\$0.116	11 August 2013
5,750,000	A\$0.50	15 August 2013
1,300,000	A\$0.25	18 December 2013
350,000	A\$0.25	31 March 2014
275,000	A\$0.25	30 November 2014
125,000	A\$0.25	22 March 2015
650,000	A\$0.25	31 March 2015
350,000	A\$0.22	25 October 2015
400,000	A\$0.32	23 February 2016
175,000	A\$0.19	10 November 2016
275,000	A\$0.24	24 February 2017

As at the date of this Notice, 35 invitations to participate in the PRP, totalling 45,400,000 Performance Rights have been issued. These invitations include invitations to Directors, totalling 3,750,000 already approved by shareholders in general meeting on 23 December 2011. The Company assumes all acceptances will be received.

If all Performance Rights granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the share holding of existing shareholders by 0.83%. The market price of the Company's Shares during the period of the Performance Rights will normally determine whether or not the Participating Directors exercise the Performance Rights. At the time any Performance Rights are exercised and Shares are issued pursuant to the exercise of the Performance Rights, the Company's Shares may be trading at a price which is higher than the exercise price of the Performance Rights.

8. **(remuneration currently provided to Mr Emery):** Mr Emery's base salary per annum is as follows:

Director	Salary and Fees (\$)	Superannuation (\$)	Other (\$)
Mr Leslie Emery	493,993	44,459	18,500

9. **(Current holdings in the Company's securities):**

Director	Shares	Options
Mr Leslie Emery	5,935,000	1,500,000

10. **(Other Information):** Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Performance Rights in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Performance Rights pursuant to Resolution 2. Neither the Directors nor the Company are aware of other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by proposed Resolution 2.

Listing Rule 10.14

Listing Rule 10.14 broadly requires shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Performance Rights under the PRP to Mr Emery.

For the purposes of Listing Rule 10.15A, the following information is provided to Shareholders with respect to Resolution 2:

1. the Performance Rights will be granted to Mr Emery, or his nominee, as noted above;
2. the maximum number of Performance Rights to be granted is 10,000,000;
3. the Performance Rights will be granted for no consideration. In addition, once vested, the Performance Rights become immediately exercisable. Following exercise of the Performance Rights, the Company must issue the Shares. The Shares will be issued for no consideration;
4. no funds will be raised by the grant of the Performance Rights;
5. all Directors, or their permitted nominees, are entitled to participate in the Company's PRP;
6. Shareholders previously approved the grant of an aggregate of 3,750,000 Performance Rights to Directors under the PRP on 23 December 2011. The Performance Rights were issued for nil consideration as follows:

Leslie Emery	750,000
John Horan	500,000
Douglas Dunnet	500,000
Sir Rabbie Namaliu	500,000
Susanne Sesselmann	500,000
John Hick	500,000
Elizabeth Martin	500,000

7. details of the Performance Rights issued under the PRP will be published in each annual report of the Company relating to a period in which the Performance Rights have been granted and that approval for the grant of Performance Rights was obtained under Listing Rule 10.14;
8. no loan will be offered to any of the Directors in relation to the acquisition of the Performance Rights or any Shares resultant from the vesting of the Performance Rights;
9. any persons who become entitled to participate in the PRP after this Resolution is approved and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14. The Company has received prior shareholder approval for the PRP ; and
10. the Performance Rights will be granted as soon as practicable after the Meeting, but in any event no later than 3 years after the Meeting.

Voting

Note that a voting exclusion applies to Resolution 2 in the terms set out in the Notice of Meeting. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution. Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on these Resolutions.

Other Business

Management is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

MANAGEMENT INFORMATION CIRCULAR

The Company is a reporting issuer in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators, the following disclosure is required to be included with this Explanatory Statement. The Board has established the close of business on September 7, 2012 as the date to determine which shareholders are entitled to receive a copy of these meeting materials pursuant to National Instrument 54-101 of the Canadian Securities Administrators.

Purpose of Solicitation

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting of the Company. The Meeting will be held at **Level 1, 9 Havelock Street, West Perth, Western Australia**, on **October, 12 2012** at 11:00 am WST, for the purposes set forth in the Notice accompanying this Explanatory Statement and Management Information Circular.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefor. Brokers, nominees or other persons holding Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by the Company.

Appointment of Proxies

Enclosed herewith is a form of proxy for use at the Meeting. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder's behalf at the Meeting other than the person designated in the form of proxy and may exercise such right by inserting the full name of the desired person in the blank space provided in the form of proxy.**

A proxy will not be valid unless it is signed by the Shareholder or by the Shareholder's attorney duly authorised in writing or, if the Shareholder is a corporation, executed by a duly authorised officer in accordance with the instructions attached on the enclosed form of proxy. The proxy to be acted upon must be delivered:

1. in respect of Shareholders registered on the Company's Australian share register, prior to **11:00 am WST on 10 October 2012** by:
 - (i) facsimile to the Company at (08) 9429 0099 (International +61 8 9429 0099) or to Computershare Investor Services Pty Ltd at 1 800 783 447 (International: +61 3 9473 2555); or
 - (ii) delivery to the registered office of the Company at Level 1, 9 Havelock Street, West Perth, Western Australia 6005 or Computershare Investor Services Pty Ltd at Level 1, 45 St George's Terrace, Perth, Western Australia 6000; or
 - (iii) mail to the Company at PO Box 289, West Perth, Western Australia 6872 or Computershare Investor Services Pty Ltd at GPO Box 242, Melbourne, Victoria 3001 (reply paid envelope);
2. in respect of Shareholders registered on the Company's Canadian register, prior to 11:00 am WST on 10 October 2012 by mail to Computershare Investor Services Inc, at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 or by facsimile at 1 866 249 7775.
3. in respect of Shareholders registered on the Company's Papua New Guinea register, not later than 48 hours prior to the Meeting, or any adjournment thereof (excluding Saturdays, Sundays and holidays) by mail to PNG Registries Level 2, AON Haus McGregor Street, Port Moresby, PO Box 1265, Port Moresby, NCD, Papua New Guinea or by facsimile 675 321 6379.

Revocation of Proxies

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Voting of Proxies

The form of proxy accompanying this Explanatory Statement and Management Information Circular confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the appointment of proxy form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

Advice for Beneficial Holders

Shares may not be registered in the Shareholder's name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). **A non-registered shareholder cannot be recognised at the Meeting for the purpose of voting their Shares unless such holder is appointed by the applicable intermediary as a proxyholder.**

In Canada, non-registered owners who have not objected to their intermediary disclosing certain ownership information about themselves to Marengo are referred to as non-objecting beneficial owners ("**NOBOs**"). Those non-registered owners who have objected to their intermediary disclosing ownership information about themselves to Marengo are referred to as objecting beneficial owners ("**OBOs**").

In accordance with applicable securities legislation, Marengo has elected to seek voting instructions directly from NOBOs. As a result, NOBOs can expect to receive a voting instruction form (a "**VIF**"), together with the meeting materials from the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"). These VIFs are to be completed and returned to Computershare in accordance with the instructions. Computershare will tabulate the results of the VIFs received from NOBOs and provide appropriate instructions at the Meeting with respect to the Shares represented by such VIFs.

The Company has distributed copies of the Meeting materials to intermediaries for distribution to all OBOs who have not waived their rights to receive these materials. Often, intermediaries will use a service company (such as Broadridge Financial Solutions Inc.) to forward these meeting materials to non-registered Shareholders. With those meeting materials the intermediaries will provide OBOs with a form of VIF. When properly completed this VIF will constitute voting instructions which the intermediary must follow.

The mechanisms described above for registered Shareholders cannot be used by non-registered shareholders and the instructions on the VIF **must** be followed. The VIF is provided instead of a proxy. By returning the VIF in accordance with its instructions, a non-registered owner is able to direct how his or her Shares are to be voted at the Meeting.

The purpose of these procedures is to allow non-registered Shareholders to direct the voting of the shares that they own but that are not registered in their name. Should a non-registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on his behalf), the non-registered Shareholder should carefully follow the instructions provided on the VIF.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the non-registered Shareholder with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and

will not be counted as having been voted in respect of any such matter. Shares represented by such broker “non-votes” will, however, be counted in determining whether there is a quorum.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

All proxy-related material sent by the Company has been sent using information (as to name, address and shareholdings) obtained pursuant to, and in accordance with, applicable securities legislation from the intermediaries. By electing to send materials directly to NOBOs, the Company (and not the intermediary) has assumed responsibility for: (i) delivering the meeting materials to you; and (ii) executing proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Interest of Certain Persons or Companies in Matters to be Acted Upon

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting other than the approval of the grant of Performance Rights to Mr Emery, as disclosed.

Voting Shares and Record Date

The authorised capital of the Company consists of an unlimited number of ordinary shares of which as of 24 August 2012, 1,137,720,551 ordinary shares were issued and outstanding as fully paid. The ordinary shares are the only shares of the Company entitled to be voted at the Meeting and subject to certain exclusions of votes described above, each ordinary share is entitled to one vote at the Meeting.

The directors of the Company have fixed 7 September 2012 as the record date for determining the Shareholders of the Company entitled to receive the Notice of Meeting and 11:00 am (WST) on 10 October 2012 as the record date for determining the Shareholders of the Company entitled to vote at the Meeting.

A simple majority of votes cast are required to approve all matters to be submitted to a vote of Shareholders at the Meeting.

Principal Holders of Shares

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, or exercises control or direction over directly or indirectly, Shares carrying 10% or more of the votes attached to all of the issued and outstanding Shares other than:

<u>Name</u>	<u>Total Number of Shares Owned, Controlled or Directed</u>	<u>Percentage of Voting Shares</u>
Sentient Executive GP II Ltd.	249,953,080	21.97%
Quantum Partners LDC	187,514,934	16.49%

Statement of Executive Compensation

Named Executive Officers

The Company’s compensation practices are designed to attract, motivate and retain highly qualified employees and executives to manage the business of the Company by rewarding individual and corporate performance and aligning the interests of the Named Executive Officers (as defined in Form 51-102F6 – Statement of Executive Compensation) (the “**Named Executive Officers**” or “**NEOs**”) with the Company’s Shareholders.

As at June 30, 2012, the Company had five Named Executive Officers: Les Emery, Managing Director, and Mark Churchward, Chief Financial Officer and Joint Company Secretary, and John Ribbons, Joint Company Secretary, and Craig McGown, Vice President Corporate Development, and Dean Richardson, Vice President Investor Relations.

Compensation Discussion & Analysis

Overview of Compensation Program

The Board has established a Human Resources and Compensation Committee (the “**Human Resources and Compensation Committee**”). The Human Resources and Compensation Committee is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company’s executive officers. The Human Resources and Compensation Committee ensures that total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Company’s compensation philosophy.

The members of the Human Resources and Compensation Committee include Mr John Hick, Mr John Horan and Ms Elizabeth Martin. Mr Hick and Ms Martin are classified as independent for Canadian regulatory purposes. Mr Horan is classified as independent for ASX purposes, however is not regarded as independent for Canadian regulatory purposes. Each Human Resources and Compensation Committee member has held previous senior and executive management roles, providing relevant experience in executive compensation.

Mr Hick has over 30 years’ of experience in the mining industry in both senior management positions and as an independent director, during which he has spent the majority of his time based in Toronto, Canada.

Mr Hick has held either senior management and/or board positions with a number of publically listed Canadian mining companies.

Ms Martin is a Toronto based, professional accountant with a strong background in international exploration and mining companies. Ms Martin has held senior and executive management roles in base metal and precious metal companies.

Mr Horan is a Fellow of CPA Australia, a Fellow of the Chartered Institute of Secretaries in Australia, a Member of the Finance and Treasury Association Limited and a Member of the Australian Mining and Petroleum Law Association. He has many years’ experience in the financial, corporate, technical and management areas of the mining industry.

The responsibilities of the Human Resources and Compensation Committee include, but are not limited to, undertaking the performance evaluation of the Managing Director, reviewing the compensation of each member of management, recommending to the Board the approval of any stock option plan, incentive plan or employee benefit plans to be granted, reviewing and recommending the compensation packages of the directors and the Chair of the Board and review the succession plans for management.

Compensation Philosophy and Objectives

The primary objective of the Human Resources and Compensation Committee is to assist the Board in discharging its responsibilities related to compensation matters, including ensuring that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, retain and inspire senior executives of a quality and nature that will allow for, and enhance, the sustainable development, growth and ultimate profitability of the Company. As set out in its charter, the Human Resources and Compensation Committee assists the Board in fulfilling its responsibilities by:

- reviewing, structuring and recommending to the Board the nature and amount of directors’, executive officers’ and other members of the senior management team deemed appropriate by the Compensation Committee, compensation;
- Recommending salary guidelines to the Board;

- Administering (where applicable) the Company's compensation plans, stock option plans, and such other compensation plans or structures as are adopted by the Company from time-to-time.

Elements of Compensation Program, Determination of Amounts for each Element, Rationale for Amounts of Each Element

The Human Resources and Compensation Committee's overall objective in determining the compensation to be paid to the Company's executive officers, including the Named Executive Officers, is to ensure compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives and to encourage and reward on the basis of individual and corporate performance. Currently, the Company's performance is determined by, and measured against, the development of its Yandera project.

Generally, compensation is provided by the Company to its executive officers as a combination of salary, stock option, performance right grants and bonuses.

Executive salaries are generally established by comparison to competitive salary levels of other mineral resource companies of comparable size and complexity. Salaries are also affected by the individuals' performance, level of experience, level of responsibility and length of service.

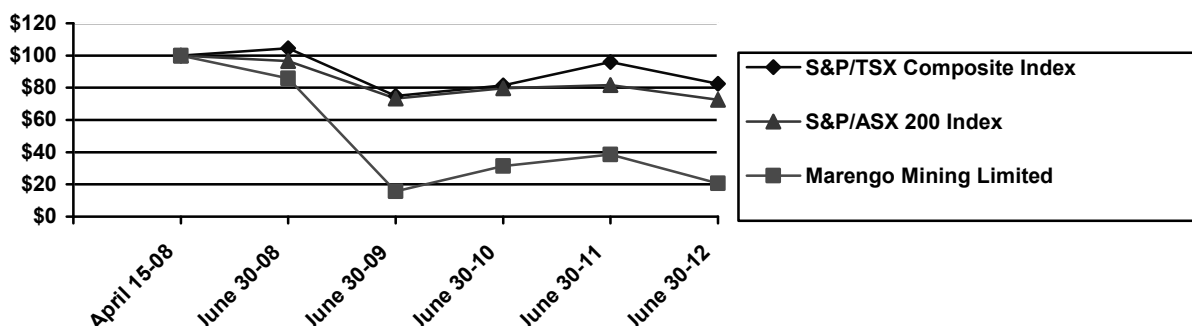
The Company uses stock option and performance right grants to align the interests of executive officers with the longer-term interests of shareholders and to reward those who make a long term contribution and commitment to the Company. The number and terms of outstanding options are taken into consideration when determining whether and how many new options should be granted.

Compensation of the Managing Director

Compensation of the Managing Director includes a base cash compensation level and stock option and performance right grants. The compensation of the Managing Director is reviewed annually. The compensation of the Managing Director is determined in accordance with the factors described above for the compensation of the Company's executive officers generally. More particularly however, in determining the Managing Director's compensation, members of the Human Resources and Compensation Committee and the Board have regard to: (i) current base compensation; (ii) past performance; (iii) objectives for the ensuing year; (iv) market and industry practice and trends; and (v) when appropriate, the advice of independent experts.

Performance Graph

The following graph compares the total cumulative shareholder return for C\$100 invested in the Shares of the Company with the cumulative shareholder return of the S&P/TSX Composite Index and the S&P/ASX 200 Index for the period commencing on April 15, 2008, the date of the listing of the Shares on the TSX, and ending on June 30, 2012.



The performance of the Company's Shares is not directly linked to compensation paid to executive officers of the Company. However the Company's remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and the performance of its directors and executive officers. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

Option and Share based Awards

The Company uses stock option and performance rights grants to align the interests of executive officers with the longer-term interests of shareholders and to reward those who make a long term contribution and commitment to the Company. The Board has sole discretion to determine the employees to whom grants should be made and to determine the terms and conditions of any such grants (after considering the recommendation of the Human Resources and Compensation Committee). The number and terms of outstanding options are taken into consideration when determining whether and how many new options should be granted.

Summary Compensation Table

The following table and the notes thereto summarises the unaudited compensation of the Named Executive Officers for the financial year ended June 30, 2012 and audited information for financial years ended June 30, 2011 and June 30, 2010.

Name and Principal Position	Financial Year	Salary	Share- based awards	Option- based awards	Non-equity incentive plan compensation		Pension value	All Other Compensation	Total Compensation
					Annual incentive plans	Long-term incentive plans			
		(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)
Les Emery ⁽⁶⁾ Managing Director	2012	563,275 ⁽⁵⁾	—	8,490 ⁽⁴⁾	—	—	132,793 ⁽³⁾	23,816 ⁽²⁾	728,374
	2011	456,384 ⁽⁵⁾	—	18,755 ⁽⁴⁾	—	—	132,430 ⁽³⁾	16,615 ⁽²⁾	624,184
	2010	432,429 ⁽⁵⁾	—	35,097 ⁽⁴⁾	—	—	146,971 ⁽³⁾	29,576 ⁽²⁾	643,863
Mark Churchward ⁽⁷⁾ Chief Financial Officer and Joint Company Secretary	2012	192,307 ⁽⁵⁾	—	—	—	—	17,308	—	209,615
	2011	—	—	—	—	—	—	—	—
	2010	—	—	—	—	—	—	—	—
John Ribbons ⁽¹⁾ Previous Chief Financial Officer and current Joint Company Secretary	2012	30,000	—	—	—	—	2,700	—	32,700
	2011	70,000	—	—	—	—	6,300	—	76,300
	2010	65,000	—	—	—	—	5,850	—	70,850
Craig McGowan ⁽⁸⁾ Vice President – Corporate Development	2012	396,000	—	6,002	—	—	—	—	402,002
	2011	302,500	—	13,394	—	—	—	—	315,894
	2010	—	—	—	—	—	—	—	—
Dean Richardson ⁽⁹⁾ Vice President – Investor Relations	2012	148,173	—	—	—	—	12,438	—	160,611
	2011	—	—	—	—	—	—	—	—
	2010	—	—	—	—	—	—	—	—

Notes:

- (1) Mr Ribbons is employed by DWCorporate Pty Ltd (“DWCorporate”). Since March 30, 2009, DWCorporate has provided management services to the Company including the provision of Mr Ribbons as Chief Financial Officer (until 12 September 2011) and Company Secretary. The compensation attributed to Mr Ribbons represents the estimated compensation that DWCorporate pays to Mr Ribbons that is attributable to the services he provided to the Company. Please refer to the “Management Contracts” section of this Management Information Circular.
- (2) Represents car allowance.
- (3) Represents superannuation payments of \$44,286 and long service leave entitlement of \$88,507.
- (4) Option based payments. The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.
- (5) Includes unused annual leave and days in lieu entitlements.

- (6) Mr Emery does not receive additional compensation for serving as a director.
(7) Mr Churchward began providing services to the Company as Chief Financial Officer on 12 September 2011 and Joint Company Secretary on 24 February 2012.
(8) Mr McGown, a director of Resource Investment Capital Advisors Pty Ltd provided services as Vice President – Corporate Development.
(9) Mr Richardson began providing services to the Company as Vice President – Investor Relations on 18 August 2011.

Narrative Discussion

DWCorporate provided services as Chief Financial Officer to the Company until 12 September 2011 and continued to provide Company Secretary services for the financial year. The amounts paid were at normal commercial rates. Mr Ribbons is employed and remunerated by DWCorporate.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table discloses the individual outstanding share-based awards and option-based awards at the end of the most recently completed financial year to each NEO.

<u>Name</u>	<u>Option Based Awards</u>			<u>Share-Based Awards</u>			
	<u>Number of Securities Underlying Unexercised Options</u> (#)	<u>Option Exercise Price</u> (A\$)	<u>Option Expiration Date</u> (date)	<u>Value of Unexercised In-the-Money Options</u> (A\$)	<u>Number of Shares or Units of Shares That Have Not Vested</u> (#)	<u>Market or Payout Value of Share-Based Awards That Have Not Vested</u> (A\$)	<u>Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed</u> (A\$)
Les Emery Managing Director	1,500,000	0.50	15/08/2013	—	—	—	225,000
Mark Churchward ⁽¹⁾ Chief Financial Officer and Joint Company Secretary	—	—	—	—	—	—	—
John Ribbons ⁽²⁾ Joint Company Secretary	—	—	—	—	—	—	—
Craig McGown ⁽³⁾ Vice President – Corporate Development	650,000	0.25	31/03/2015	—	150,000	22,500	75,000
Dean Richardson Vice President – Investor Relations	—	—	—	—	—	—	—

Notes:

- (1) Mr Churchward began providing services to the Company as Chief Financial Officer on 12 September 2011 and Joint Company Secretary on 24 February 2012.
(2) DWCorporate provided services to the Company as Chief Financial Officer to 12 September 2011 and continues to provide services as Company Secretary. Mr Ribbons is employed and remunerated by DWCorporate. Mr Ribbons has not received option based awards attributable to services performed for the Company.
(3) Mr McGowan, through Resource Investment Capital Advisors Pty Ltd, provides services as Vice President – Corporate Development on 15 April 2010.

(4) Mr Richardson began providing services to the Company as Vice President – Investor Relations on 18 August 2011.

Incentive plan awards – value vested or earned during the year

The following table summarises the aggregate value of incentive plan awards vested or earned during the most recently completed financial year to each NEO.

<u>Named Executive Officer</u>	<u>Option-based awards – Value vested during the year</u>	<u>Share-based awards – Value vested during the year</u>	<u>Non-equity incentive plan compensation – Value earned during the year</u>
	(A\$)	(A\$)	(A\$)
Les Emery Managing Director	8,490	—	—
Mark Churchward Chief Financial Officer and Joint Company Secretary	—	—	—
John Ribbons Joint Company Secretary	—	—	—
Craig McGown Vice President – Corporate Development	6,002	—	—
Dean Richardson Vice President – Investor Relations	—	—	—

Narrative discussion

Options

There are currently 66,510,750 outstanding options. The exercise price of these options range from C\$0.116 to A\$0.50 per share. The expiry dates of options granted range from 11 August 2013 to 24 February 2017.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one Share with full dividend and voting rights.

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Marengo to increase goal congruence between executives, directors and shareholders.

At a Shareholders meeting held on 31 July 2008, the Shareholders approved the grant of 5,750,000 options to certain directors (including their nominees) of the Company. These 5,750,000 options were granted on 15 August 2008. Of these 5,750,000 options, 1,500,000 were granted to Les Emery, a Named Executive Officer (the “**Emery Options**”). The Emery Options have an exercise price of \$A0.50 per Share, expire on 15 August 2013 and vest annually in five equal installments commencing on the date of grant.

On 18 December 2008, 2,300,000 options were granted to employees of the Company. These options have an exercise price of \$A0.25 per Share, expire on 18 December 2013 and vest annually in five equal installments commencing on the date of grant.

A further 550,000 options were granted to employees of the Company on 15 April 2009. These options have an exercise price of \$A0.25 per Share and expire on 31 March 2014.

A further 475,000 options were granted to employees of the Company on 1 December 2009. These options have an exercise price of \$A0.25 per Share and expire on 30 November 2014.

A further 150,000 options were granted to employees of the Company on 1 April 2010. These options have an exercise price of \$A0.25 per Share and expire on 22 March 2015.

A further 650,000 options were granted on 16 April 2010. These options have an exercise price of \$A0.25 per Share and expire on 31 March 2015.

A further 475,000 options were granted on 25 October 2010. These options have an exercise price of \$A0.22 per Share and expire on 25 October 2015.

A further 500,000 options were granted on 23 February 2011. These options have an exercise price of \$A0.32 per Share and expire on 23 February 2016.

A further 225,000 options were granted on 10 November 2011. These options have an exercise price of \$A0.19 per Share and expire on 10 November 2016.

A further 275,000 options were granted on 24 February 2012. These options have an exercise price of \$A0.24 per Share and expire on 24 February 2017.

Pension Plan Benefits

The Company does not have a pension plan and has not provided any pension plan benefits to its Named Executive Officers, aside from superannuation contributions provided to Messrs Emery and Churchward, as per the tabled below

Name	Accumulated Value at Start of Year (\$)	Compensatory (\$)	Accumulated Value at Year End (\$)
Leslie Emery	134,338	\$50,695	178,625
Mark Churchward	-	\$17,308	\$17,308

Termination and Change of Control Benefits

Marengo has entered an employment agreement with Mr Emery, dated 11 July 2011, effective from the date of shareholder approval, being 23 December 2011 (the "**Emery Employment Agreement**") pursuant to which Mr Emery is employed as Managing Director of Marengo for a term ending on 1 September 2013. Pursuant to the Emery Agreement, Mr Emery is paid an annual salary of A\$493,993 plus a superannuation contribution of A\$45,833 to be reviewed annually by the Board. Mr Emery is also provided with a fully maintained company motor vehicle with a deemed value of A\$18,500 per annum and reimbursement of 75% of this telecommunication charges and 100% of his mobile phone charges.

The Company may terminate Mr Emery's employment for any reason upon providing two months' notice to Mr Emery in writing. In this case, Mr Emery is entitled to be paid, as liquidated damages and without deduction, a termination benefit equal to three years' base salary which will include any payments in lieu of the minimum notice period required by law (ie the Termination Payment).

Mr Emery may terminate his Agreement by giving one month's written notice to the Company if he:

- a) is demoted from his position without good cause; or
- b) is requested, without good cause, to assume responsibilities or perform tasks not reasonably consistent with his position.

In these circumstances, Mr Emery is entitled to be paid the Termination Benefit.

In addition, Mr Emery's employment may be terminated by the Company in writing effective immediately if Mr Emery is guilty of gross misconduct, convicted of a criminal offence, becomes bankrupt or insolvent or in a range of other circumstances. However, no termination benefit is due to be made to Mr Emery in this case.

Mr Emery may terminate his employment at any time by giving the Company three months' notice in writing.

As at 30 June, 2012, Mr Emery had an annual leave benefit totalling \$69,795.

Marengo has entered into standard protection deeds (the "**Deeds**") with each of its directors and certain of its officers which provide for, amongst other things: (a) an indemnity of the directors and officers, to the extent permitted by law, against any liability which they may incur while carrying out duties as directors or officers of Marengo; (b) access to the documents of the Board; and (c) the provision of directors' and officers' liability insurance.

Horan Consultancy Agreement

On 29 May 2002 the Company entered into a Consultancy Agreement with Adelaide Resource Management Pty Ltd, a Company associated with Mr John Horan (the terms of which are set out below) ("**Mr Horan's Agreement**").

Mr Horan is a founding Director having been engaged as its Chairman since 23 April 2002.

Mr Horan's Agreement was originally for a period of 2 years from the date the Company listed on ASX. Since the expiration of that initial term, Mr Horan's Agreement was extended several times, most recently to 1 September 2013.

Mr Horan may terminate his Consultancy Agreement by giving 3 months written notice to the Company. Mr Horan may also terminate his Agreement by giving 28 days written notice if the Company fails to pay moneys due or payable to Mr Horan for 14 days after demanding in writing to pay such moneys.

The Company may terminate Mr Horan's Consultancy Agreement without liability to the Company except for that which may have accrued up until the date of notice in certain circumstances including if Mr Horan is guilty of personal misconduct or if he is convicted of a criminal offence.

The Company may also terminate Mr Horan's Consultancy Agreement by giving 1 month's written notice and by paying to Mr Horan an amount equivalent to the amount which Mr Horan would have received had his Agreement continued until the expiration of the term as extended in accordance with its terms.

Other than the agreements there is no arrangement or agreement made between Marengo or its subsidiaries and any of the Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of Marengo or a change in the Named Executive Officer's responsibilities, other than as detailed above.

The following table summarises the termination and change of control benefits that Mr Emery and Mr Horan would have received at, following, or in connection with any termination, determination, determined as if termination occurred on 30 June 2012.

Amounts Due on Termination							
Name	Event	Contractual Severance		Benefits (\$)	Long-term Incentives	Other (\$)	Total (\$)
		Salary (\$)	Annual Bonus (\$)		Options (\$)		
Leslie Emery	Termination with cause	-	-	-	-	-	-
	Termination without cause	\$1,481,979	-	-	-	-	\$1,481,979
	Resignation with cause	\$1,481,979	-	-	-	-	\$1,481,979
	Resignation without cause	-	-	-	-	-	-
John Horan	Termination with cause	-	-	-	-	-	-
	Termination without cause	\$122,500	-	-	-	-	\$1,481,799
	Resignation	-	-	-	-	-	-

Director Compensation

Compensation Table

The following table sets out all amounts of unaudited compensation provided to the directors for the Company's most recently completed financial year.

<u>Name</u>	<u>Fees Earned</u> (A\$)	<u>Share-based Awards</u> (A\$)	<u>Option-based awards</u> (A\$)	<u>Non-equity incentive plan compensation</u> (A\$)	<u>Pension value</u> (A\$)	<u>All other compensation</u> (A\$)	<u>Total</u> (A\$)
John Horan (Chairman)	115,500	-	7,075	-	-	5,316 ⁽¹⁾	127,891
Douglas Dunnet	24,200	-	2,830	-	38,800	5,316 ⁽¹⁾	71,146
Sir Rabbie Namaliu	63,000	-	5,660	-	-	5,316 ⁽¹⁾	73,976
Susanne Sesselmann	63,000	-	2,830	-	-	5,316 ⁽¹⁾	71,146
John Hick	63,000	-	2,830	-	-	5,316 ⁽¹⁾	71,146
Elizabeth Martin	63,000	-	2,830	-	-	5,316 ⁽¹⁾	71,146

Notes:

(1) Share of directors' and officers' liability insurance paid.

Narrative discussion

During the most recently completed financial year, each non-executive director and the Chairman received fees for services rendered during that year as shown in the above table. Executive officers do not receive additional compensation for serving as directors. Directors are also reimbursed for all reasonable expenses incurred in their capacity of directors. Generally, directors of Marengo do not receive additional amounts for committee participation or special assignments, however should the non-executive directors provide services in excess of those expected of such a position, the Company will provide reasonable remuneration for those services. There are no other arrangements under which directors were compensated for their services as directors or as consultants or experts during the Company's most recently completed financial year.

Outstanding share-based awards and option-based awards

The following table discloses the individual outstanding share-based awards and option-based awards at the end of the most recently completed financial year to each director.

<u>Name</u>	<u>Option Based Awards</u>				<u>Share-Based Awards</u>		<u>Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed</u> (A\$)
	<u>Number of Securities Underlying Unexercised Options</u> (#)	<u>Option Exercise Price</u> (A\$)	<u>Option Expiration Date</u> (date)	<u>Value of Unexercised In-the-Money Options</u> (A\$)	<u>Number of Shares or Units of Shares That Have Not Vested</u> (#)	<u>Market or Payout Value of Share-Based Awards That Have Not Vested</u> (A\$)	
John Horan (Chairman)	1,250,000	0.50	15/08/2013	—	—	—	—
Douglas Dunnet	500,000	0.50	15/08/2013	—	—	—	—
Sir Rabbie Namaliu	1,000,000	0.50	15/08/2013	—	—	—	—
Susanne Sesselmann	500,000	0.50	15/08/2013	—	—	—	—
John Hick	500,000	0.50	15/08/2013	—	—	—	—
Elizabeth Martin	500,000	0.50	15/08/2013	—	—	—	—

Incentive plan awards – value vested or earned during the year

The following table summarises the aggregate value of incentive plan awards vested or earned during the most recently completed financial year to each Director.

<u>Name of Director</u>	<u>Option-based awards – Value vested during the year</u>	<u>Share-based awards – Value vested during the year</u>	<u>Non-equity incentive plan compensation – Value earned during the year</u>
	(A\$)	(A\$)	(A\$)
John Horan (Chairman)	7,075	—	—
Douglas Dunnet	2,830	—	—
Sir Rabbie Namaliu	5,660	—	—
Susanne Sesselmann	2,830	—	—
John Hick	2,830	—	—
Elizabeth Martin	2,830	—	—

Securities Authorised for Issuance Under Equity Compensation Plans

The following table sets out information as of **June 30, 2012** with respect to compensation plans under which equity securities of the Company are authorised for issuance.

Plan	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A))
	(A)	(B)	(C)
Equity compensation plans approved by security holders	9,000,000	\$0.4102	47,853,922
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	9,000,000	\$0.4102	47,853,922

Interest of Certain Persons or Companies in Matters to be Acted Upon

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, nor any associate or affiliate of the foregoing persons, has a material interest, direct or indirect, in the matters to be acted upon at the Meeting, except as otherwise disclosed in this Explanatory Statement and Management Information Circular.

Interest of Informed Persons in Material Transactions

Since the commencement of the Company's most recently completed financial year there were no transactions and there are no proposed transactions that have materially affected or would materially affect the Company or any of its subsidiaries in which any informed person of the Company or any associate or affiliate of any informed person has any material interest (direct or indirect).

Auditors

The auditor of the Company is PricewaterhouseCoopers and was first appointed as auditor of the Company on 10 November 2011.

Management Contracts

The Company entered into an agreement on 8 June 2009 with DWCorporate Pty Ltd for Mr John Ribbons to provide services as Chief Financial Officer and Company Secretary. On 12 September 2011 DWCorporate Pty Ltd ceased to provide Chief Financial Officer services. The Company paid DWCorporate Pty Ltd to June,30 2012 \$125,797.

The Company entered into an agreement on 15 April 2010 with Resource Investment Capital Advisors Pty Ltd for Mr Craig McGowan to provide services as Vice President – Corporate Development. The Company paid Resource Investment Capital Advisors Pty Ltd to June,30 2012 \$396,000.

Particulars of Matters to be Acted Upon

For a detailed description of the matters to be acted upon, namely (a) the ratification of allotment and issue of shares, and (b) approval of the grant of performance rights to Mr Emery, please refer to the Explanatory Statement included with this Circular, available free of charge to Shareholders and available online at www.asx.com.au or at www.sedar.com.

Restricted Securities

No action is to be taken that will result in having the effect to subdivide or convert existing securities into restricted securities or to create new restricted securities.

Additional Information

Financial information is provided in the Company's annual audited financial statements and any interim financial statements submitted subsequent to the filing of the most recent annual financial statements and the Management's Discussion and Analysis ("MD&A") included in those statements.

Copies of these documents will be provided free of charge to Shareholders. The Company may require the payment of a reasonable charge by any person or company who is not a Shareholder of the Company, and who requests a copy of such document. Additional information (including the financial statements and MD&A referred to above) relating to the Company can be found at www.asx.com.au or at www.sedar.com.

ENQUIRIES

Shareholders can contact either Mr John Ribbons or Mr Mark Churchward, Joint Company Secretaries, at +61 (08) 9429 0000 if they have any queries in respect of the matters set out in these documents.

APPROVAL OF THIS EXPLANATORY STATEMENT AND MANAGEMENT INFORMATION CIRCULAR

The contents and the sending of this Explanatory Statement and Management Information Circular have been approved by the Directors of the Company.

By Order of the Board of Directors



John Ribbons
Company Secretary

Dated: 24 August 2012



MARENGO
MINING LIMITED

ABN 57 099 496 474



000001 000 MGO
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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Proxy Form

For your vote to be effective it must be received by 11:00am (WST) Wednesday 10 October 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

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- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Marengo Mining Limited hereby appoint

the Chairman
of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Marengo Mining Limited to be held at Level 1, 9 Havelock Street, West Perth, Western Australia on Friday, 12 October 2012 at 11:00am (WST) and at any adjournment of that meeting.

Important for Resolution 2: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolution 2 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolution 2 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 2.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of Allotment and Issue of Shares - Canadian Offering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of the Grant of Performance Rights to Mr Leslie Emery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

MGO

1 5 3 5 3 4 A

Computershare