



Dear Shareholders:

The Board of Directors and management of Marengo Mining Limited cordially invite you to attend the Company's Special Meeting of Shareholders. The meeting will take place at the offices of Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario, Canada, at 4:00 p.m. (Toronto time) on Thursday July 11, 2013.

In connection with this meeting, you will find enclosed the notice of meeting, management information circular, form of proxy and voting instruction forms for Chess Depositary Interests and PETS Depositary Interests, for the meeting.

It is important that all shareholders be represented at the meeting. Therefore, please take a moment to complete, date and sign the enclosed form of proxy or voting instruction form, and return it as instructed, or follow the instructions included with the form of proxy or voting instruction form to vote by telephone or over the Internet.

We look forward to seeing you at the meeting.

Yours truly,

*(signed) "Les Emery"*

Les Emery  
President, Chief Executive Officer and Director

## **NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

Notice is hereby given that a Special Meeting of shareholders of Marengo Mining Limited ("Marengo" or the "Company") will be held at the offices of Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario, Canada, at 4:00 p.m. (Toronto time) on Thursday July 11, 2013 (the "Meeting"), for the following purposes:

### **Resolution 1 – Approval of Conversion Price Adjustment and Interest Payment Provisions**

To consider, and if thought advisable, to approve by ordinary resolution certain conversion price adjustment and interest payment provisions of the 9.0% senior unsecured convertible debentures of the Company (the "Debentures") issued and issuable by the Company and two of its wholly-owned subsidiaries, Yandera Mining Company Limited and Marengo Mining (PNG) Limited to Sentient Global Resource Fund IV, L.P., by its general partner Sentient GP IV, L.P., by its general partner Sentient Executive GP IV, Limited ("Sentient"), all as more particularly described in the management information circular of the Company accompanying and forming part of this Notice;

### **Resolution 2 – Ratification of Issuance of US\$9,180,000 principal amount of Debentures**

To consider, and if thought advisable, for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange (the "ASX Listing Rules") and all other purposes, ratify by ordinary resolution the allotment and issue of US\$9,180,000 principal amount of Debentures to Sentient. The Company will disregard any votes cast on this resolution by any person who participated in the issue that is the subject of this resolution 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 3 – Approval of Issuance of US\$6,120,000 principal amount of Debentures**

To consider, and if thought advisable, for the purposes of ASX Listing Rule 7.1 and all other purposes, approve by ordinary resolution the issuance of US\$6,120,000 principal amount of Debentures to Sentient. The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, 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; and

### **Resolution 4 – Approval of Issuance of up to US\$1,698,356.16 principal amount of Debentures**

To consider, and if thought advisable, for the purposes of ASX Listing Rule 7.1 and all other purposes, approve by ordinary resolution the issuance of US\$1,000,000 principal amount of Debentures to Sentient in satisfaction of the Company's obligation to pay interest owing under the unsecured interest-bearing working capital debt facility of US\$10,000,000 entered into between the Company and Sentient on February 6, 2013, as amended and the issuance of up to an additional US\$698,356.16 principal amount of Debentures which may be issued in satisfaction of the remaining interest payable under the facility. The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, 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;

The Company may transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

A management information circular (the "Circular") providing additional information relating to the matters to be dealt with at the Meeting, a Chess Depositary Interest ("CDI") voting instruction form (the "CDI Voting Instruction Form"), a PETS Depositary Interest ("PDI") voting instruction form (the "PDI Instruction Form") and a form of proxy (the "Form of Proxy") prepared in respect of the Meeting accompany this notice.

In order to be represented by proxy at the Meeting, registered shareholders of the Company must complete, date and sign the Form of Proxy, or other appropriate form of proxy and, in either case, (i) deliver the completed proxy to the Company's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1 in the addressed prepaid envelope enclosed; or (ii) submit the completed proxy to Computershare Investor Services Inc., facsimile number (416) 263-9524 or 1-866-249-7775 by no later than **4:00 p.m. on Tuesday July 9, 2013** or, if such meeting is adjourned, at the latest 48 hours prior to the adjourned meeting, excluding Saturdays, Sundays and statutory holidays. Registered shareholders of the Company may also vote by telephone or over the Internet. Instructions on how to vote by telephone or over the Internet are provided in the Circular and Form of Proxy. Non-registered shareholders of the Company should follow the instructions on how to complete their voting instruction form or Form of Proxy and vote their shares on the forms that they receive or contact their broker, trustee, financial institution or other nominee for instructions. CDI holders should complete their CDI Voting Instruction Form in order to vote their CDI's at the Meeting. PDI holders should complete their PDI Voting Instruction Form in order to vote their PDI's at the Meeting.

Toronto, Ontario, June 11, 2013.

***BY ORDER OF THE BOARD OF DIRECTORS***

***(signed) "Les Emery"***

Les Emery  
President, Chief Executive Officer and Director

**MANAGEMENT INFORMATION CIRCULAR**  
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## **INFORMATION CIRCULAR MANAGEMENT SOLICITATION**

### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

This management information circular includes certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this management information circular that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements.

When used in this management information circular, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Examples of such forward looking statements include statements regarding results and expectations for 2013 and future time periods, including, but not limited to, availability of financing, interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, metal prices, demand for metals, currency exchange rates, cash operating margins, expenditures on property, plant and equipment, increases and decreases in exploration activity, changes in project parameters, resources and anticipated grades and recovery rates and are or may be based on assumptions and/or estimates related to future economic, market and other factors and conditions.

### **MANAGEMENT INFORMATION CIRCULAR**

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by and on behalf of the management (the "Management") of Marengo Mining Limited ("Marengo" or the "Company") for use at the Special Meeting of shareholders (the "Meeting") of the Company to be held at 4:00 p.m. (Toronto Time), at the offices of Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario, on Thursday July 11, 2013, for the purposes set out in the accompanying Notice of Meeting.

### **SOLICITATION OF PROXIES**

The enclosed proxy is being solicited by the Management of the Company. The solicitation is being made primarily by mail, but proxies may also be solicited by employees or agents of the Company, personally, in writing, by e-mail or by telephone. The entire cost of the solicitation will be borne by the Company.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

Each shareholder of record will be entitled to one (1) vote for each common share registered in the name of such shareholder. Only the holders of record of the common shares of the Company (the "Common Shares") at the close of business (Toronto time) on May 13, 2013 (the "Record Date") will be entitled to receive notice of the Meeting and to vote at the Meeting.

The authorized capital of the Company presently consists of an unlimited number of Common Shares, of which 1,137,870,521 Common Shares are issued and outstanding as fully paid and non-assessable as of the Record Date. The Common Shares of the Company are listed on the Toronto Stock Exchange (the "TSX") under the symbol "MRN", and the CHESS Depositary Interest in Common Shares ("CDIs") are listed on the Australian Securities Exchange ("ASX") and the PETS Depositary Interest in Common Shares ("PDIs") are listed on the Port Moresby Stock Exchange Limited ("POMSoX"), both under the symbol "MMC".

The CDIs are held by CHESS Depositary Nominees Pty Ltd ("CDN"), a wholly owned subsidiary of the ASX, on behalf of holders of CDIs. Of the 1,137,870,521 Common Shares issued and outstanding on June 11, 2013, 587,639,059 Common Shares were held by CDN. CDN has issued CDIs that represent beneficial interests in the Common Shares held by CDN. CDIs are traded on the electronic transfer and settlement system operated by the ASX.

All references in this Circular to outstanding Common Shares include the Common Shares held by CDN and all references to holders of Common Shares include CDI holders.

The PDIs are held by PNG Depositary Nominees Pty Ltd ("PDN") wholly owned by PNG Registries Limited who are a wholly owned subsidiary of Link Market Services Limited in Australia, on behalf of the holders of PDIs. Of the 1,137,870,521 Common Shares issued and outstanding on June 11, 2013, 5,928,819 Common Shares were held by PDN. PDN has issued PDIs that represent beneficial interests in the Common Shares held by PDN. PDIs are traded on the electronic transfer and settlement system operated by POMSoX.

All references in this Circular to outstanding Common Shares include the Common Shares held by PDN and all references to holders of Common Shares include PDI holders.

To the knowledge of the directors and executive officers of the Company, there are no parties who beneficially own, or exercise control or direction, directly or indirectly, over securities carrying 10% or more of the voting rights attached to any class of securities of the Company, with the exception of Quantum Partners LDC, which holds 186,514,934 Common Shares, constituting approximately 16.39% of the issued and outstanding Common Shares and Sentient (as hereinafter defined) which holds 249,953,080 Common Shares, constituting approximately 21.97% of the issued and outstanding Common Shares. See *"Information with respect to Sentient and its Ownership Interest in the Company"* herein.

## **VOTING INFORMATION**

### **Voting by Proxy**

Voting by proxy means that you are giving the person or people named on your form of proxy (proxyholder) the authority to vote your Common Shares for you at the Meeting or any adjournment thereof. A form of proxy (the "Form of Proxy") is included in this package.

You can choose from three different ways to vote your Common Shares by proxy:

1. by mail or delivery;
2. by telephone; or
3. on the Internet.

**A shareholder has the right to appoint a person, who need not be a shareholder, other than the persons designated in the Form of Proxy, to attend and act on behalf of the shareholder at the Meeting.** Unless you appoint someone else to be your proxyholder in accordance with the instructions provided herein, the directors or officers who are named on the Form of Proxy will vote your shares for you. If you appoint someone else, he or she must be present at the Meeting to vote your shares.

If you are voting your Common Shares by proxy, Computershare Investor Services Inc. (the "Transfer Agent") must receive your completed form of proxy by no later than 4:00 p.m. on Tuesday July 9, 2013 or, if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays and holidays) prior to the adjourned meeting.

### **CDI Holders**

Holders of CDIs are invited to attend and speak at the Meeting but may only vote by directing CDN to cast votes in the manner directed in the CDI Voting Instruction Form enclosed. CDI holders may instruct CDN to appoint the CDI holder or a person nominated by the holder as the holder's proxy for the purposes of attending and voting at the Meeting.

The CDI Voting Instruction Form, together with any power of attorney or other authority (if any) under which it is signed, or a notary certified copy thereof, must be completed, signed and returned to:

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
PERTH WA 6000  
AUSTRALIA  
Facsimile: +61 8 9323 2033

so as to arrive no later than 4:00 p.m. on Tuesday July 9, 2013 or, if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays and holidays) prior to the adjourned meeting.

You must be registered as the holder of CDIs as at May 13, 2013 for your CDI voting instruction to be valid.

### **PDI Holders**

Holders of PDIs are invited to attend and speak at the Meeting but may only vote by directing PDN to cast votes in the manner directed in the PDI Voting Instruction Form enclosed. PDI holders may instruct PDN to appoint the PDI holder or a person nominated by the holder as the holder's proxy for the purposes of attending and voting at the Meeting.

The PDI Voting Instruction Form, together with any power of attorney or other authority (if any) under which it is signed, or a notary certified copy thereof, must be completed, signed and returned to:

PNG Registries Limited  
Level 2, AON Haus McGregor Street Port Moresby  
P.O. Box 1265, Port Moresby, NCD,  
PAPUA NEW GUINEA  
Facsimile: +675 321 6379

so as to arrive no later than 4:00 p.m. on Tuesday July 9, 2013 or, if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays and holidays) prior to the adjourned meeting.

You must be registered as the holder of PDIs as at May 13, 2013 for your PDI voting instruction to be valid.

### **Registered and Non-Registered (or Beneficial) Shareholders**

**You are a registered shareholder** if your name appears on your share certificate. You will receive the Form of Proxy if you are a registered shareholder.

**You are a non-registered (or beneficial) shareholder** if your bank, trust company, securities broker or other financial institution holds your shares for you (your nominee). If you are a non-registered (or beneficial) shareholder, you will receive a voting instruction form or form of proxy from the institution that holds your Common Shares or its agent.

### **How to Vote – Registered Shareholders**

#### *By Proxy*

- (a) By mail or delivery: To vote by mail or delivery, your paper Form of Proxy must be completed, signed, dated and returned in accordance with the instructions on the Form of Proxy.
- (b) By telephone: To vote by telephone, call the toll-free number shown on the Form of Proxy. Using a touch-tone telephone to select your voting preferences, follow the instructions of the "vote voice" and refer to the directions on the Form of Proxy. Note that voting by telephone is not available if you wish to appoint a person as a proxy holder other than the persons named on the Form of Proxy. In such a case, your proxy should be voted by mail, delivery or the Internet.
- (c) On the Internet: To vote your proxy on the Internet, visit the website address as shown on the Form of Proxy. Follow the on-line voting instructions given on the Form of Proxy.
- (d) By appointing another person to go to the Meeting and vote your Common Shares for you:
  - (i) This person does not have to be a shareholder.
  - (ii) Strike the names that are printed on the Form of Proxy and write the name of the person you are appointing in the space provided. Complete your voting instructions, date and sign the Form of Proxy, and return it to the Transfer Agent as instructed.
  - (iii) Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting.
  - (iv) At the Meeting, the person appointed should see the scrutineers from the Transfer Agent at the registration table.

#### *In Person at the Meeting*

You do not need to complete or return the Form of Proxy. You should see a representative of the Transfer Agent before entering the Meeting to register your attendance at the Meeting. Voting in person at the Meeting will automatically cancel any proxy you completed and submitted earlier.



## **How to Vote — Non-Registered (or Beneficial) Shareholders**

These securityholder materials are being sent to both registered and non-registered owners of the Common Shares, either directly by the Company or indirectly through your nominee or your nominee's agent.

If you are a non-registered owner of Common Shares and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf. In such case, the Company (and not the intermediary holding Common Shares on your behalf) assumes responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the Form of Proxy.

If you have received these materials indirectly through your nominee or your nominee's agent, you will receive the nominee's form of proxy, which is substantially similar to the Form of Proxy, the sole purpose of which is to instruct the registered holder of the Common Shares (i.e. the nominee) how to vote on your behalf (the "Voting Instruction Form").

### *By proxy*

- (a) Please contact your nominee or the Company if you did not receive a Voting Instruction Form or the Form of Proxy in this package.
- (b) In most cases, you will receive a Voting Instruction Form that allows you to provide your voting instructions by telephone, on the Internet or by mail or delivery. If you want to provide your voting instructions on the Internet, go to the website noted on your Voting Instruction Form or Form of Proxy and follow the instructions on the screen.
- (c) Some Voting Instruction Forms may be required to be completed and returned, as directed in the instructions provided; or have been pre-authorized by your nominee indicating the number of shares to be voted, which is to be completed, dated, signed and returned to the Transfer Agent by mail.

### *In person at the Meeting*

- (a) The Transfer Agent does not have access to the names or holdings of the Company's non-registered shareholders. That means you can only vote your shares in person at the Meeting if you appoint yourself proxy holder by printing your name in the space provided on the Voting Instruction Form or Form of Proxy provided to you.
- (b) Your vote will be taken and counted at the Meeting.
- (c) Prior to the Meeting, you should see the scrutineers from the Transfer Agent at the registration table.

## **Completing the Form of Proxy**

On any ballot that may be called for at the Meeting, the Common Shares represented by the enclosed Form of Proxy will be voted or withheld from voting in accordance with the instructions of the shareholder indicated thereon and, where a choice is specified, the Common Shares will be voted

accordingly. You can choose to vote "For", "Against" or "Withhold", depending on the items listed on the Form of Proxy.

When you sign the Form of Proxy, you authorize Mr. Keith Morrison or Mr. Sander Grieve, who are directors and/or officers of the Company, or the individual that you have named on the Form of Proxy in accordance with the instructions provided herein, to vote or withhold from voting your Common Shares for you at the Meeting according to your instructions on any ballot that may be called for. If you specify a choice on the Form of Proxy with respect to any matter to be acted upon at the Meeting, your Common Shares will be voted accordingly. **If you return the Form of Proxy and do not tell us how you want to vote your Common Shares, your vote will be counted FOR the ordinary resolutions approving the Resolutions.**

**Your proxy holder will also vote your Common Shares as s/he sees fit on any amendment or variation to matters identified in the Notice of Meeting or any other matter that may properly come before the Meeting.** As of the date of this Circular, Management is unaware of any such amendment, variation or other matter proposed or likely to come before the Meeting.

If you have appointed a person other than Mr. Keith Morrison or Mr. Sander Grieve to vote your Common Shares and you do not specify how you want your Common Shares voted, your proxy holder will vote your Common Shares as he or she sees fit on each item and on any other matter that may properly come before the Meeting.

If you are an individual shareholder, you or your authorized attorney must sign the Form of Proxy. If you are a corporation or other legal entity, an authorized officer or attorney must sign the Form of Proxy.

### **Changing your Vote**

You can revoke a vote you made by proxy by:

- voting again by telephone or on the Internet by no later than 4:00 p.m. on Tuesday July 9, 2013 or, if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays and holidays) prior to the adjourned Meeting;
- completing a form of proxy that is dated later than the form of proxy you are changing and mailing it or faxing it to the Transfer Agent or sending a notice to the relevant Share Registrar for your jurisdiction, so that it is received by no later than 4:00 p.m. on Tuesday July 9, 2013 or, if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays and holidays) prior to the adjourned Meeting;
- giving a notice in writing to the Chairman of the Meeting, at the Meeting or any adjournment thereof. The notice can be from you or your authorized attorney.

### **REVOCATION OF PROXIES**

You have the right to revoke your proxy at any time before it is exercised. Relevant provisions of the *Canada Business Corporations Act* provide that you may revoke a proxy by depositing an instrument in writing, executed by yourself or by an attorney authorized in writing, at the relevant Share Registrar for your jurisdiction at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or by depositing such instrument with the Chairperson of the Meeting on the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law.

## **EFFECTIVE DATE**

The effective date of this Circular is June 11, 2013.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as set out under the heading "*Information with respect to Sentient and its Ownership Interest in the Company*" below, none of the directors or executive officers 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.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **APPROVAL OF THE RESOLUTIONS**

At the Meeting, disinterested shareholders of the Company will be asked to consider and, if deemed appropriate, to pass the Resolutions (as defined below).

Pursuant to the rules of the TSX, disinterested shareholder approval must be obtained for private placements that, during any six month period, are to insiders of the issuer for common shares or options, rights of other entitlements to common shares greater than 10% of the number of common shares of the issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an insider during such six month period. See "*Regulatory Requirements – TSX Requirements – Section 607(g)(ii)*".

The Company also seeks shareholder ratification or approval of the Debentures for the purposes of Listing Rule 7.1 and 7.4 (as applicable) of the Listing Rules of the Australian Securities Exchange (the "ASX Listing Rules"). Further information on this is set out below.

Approval of the shareholders of the Company will also be sought at the Meeting in respect of certain provisions of the Debentures (as defined below) relating to interest payments and conversion rights.

### **Background**

On April 30, 2013, the Company entered into a binding term sheet to complete a non-brokered private placement of up to US\$15,000,000 aggregate principal amount of 9.0% unsecured convertible debentures (the "Debentures") to Sentient Global Resources Fund IV, L.P., by its general partner Sentient GP IV, L.P., by its general partner Sentient Executive GP IV, Limited (collectively, "Sentient"), with such Debentures to be issued in three tranches (collectively, the "Offering").

On May 27, 2013, the Company and two of its wholly-owned subsidiaries, Yandera Mining Company Limited ("YMCL") and Marengo Mining (PNG) Limited ("MMPL", and together with the Company and YMCL, the "Borrowers"), entered into a debenture purchase agreement (the "Debenture Purchase Agreement") with Sentient in respect of the Offering. The Debenture Purchase Agreement provides that the Borrowers will issue up to US\$15,000,000 aggregate principal amount of Debentures to Sentient as follows:

- (i) US\$3,500,000 principal amount of Debentures on or about May 30, 2013 (the "Initial Tranche");
- (ii) US\$5,500,000 principal amount of Debentures within five (5) business days from the date of receipt by the Company or YMCL of all necessary approvals for the renewal of Exploration Licence 1335 held by YMCL in connection with the Company's Yandera Project (as defined below) (the "Second Tranche"); and
- (iii) US\$6,000,000 principal amount of Debentures within five (5) business days from the date of receipt of shareholder approval of such issuance (the "Third Tranche").

The Debenture Purchase Agreement provides that the Company will pay a fee (the "Establishment Fee") of 2% of the principal amount of the Debentures issued under the Offering through the issuance of additional Debentures (the "Establishment Fee Debentures").

Under the Debenture Purchase Agreement, the parties agreed to establish a technical committee to be comprised of three representatives each from the Company and Sentient to make recommendations to the Company in relation to the development of the Company' Yandera Project. Subject to consultation with the technical committee, Marengo expects to use the net proceeds from the Offering for the development of the Yandera Project and for general corporate purposes.

The renewal of Exploration Licence 1335 was received prior to the date scheduled for completion of the Initial Tranche. On May 30, 2013 (the "First Closing Date"), the Company completed the closing of the Initial Tranche and the Second Tranche by issuing US\$9,000,000 principal amount of Debentures to Sentient. In addition, the Company paid to Sentient the applicable Establishment Fee, being US\$180,000 aggregate principal amount of Establishment Fee Debentures. The issuance of the Initial Tranche and Second Tranche Debentures, as well as the applicable Establishment Fee Debentures, on the First Closing Date (the "First Closing Debentures") did not require shareholder approval under the rules of the TSX, as the number of Common Shares issuable on conversion of the First Closing Debentures was less than 10% of the number of Common Shares outstanding, on a non-diluted basis, prior to the closing of the Initial and Second Tranches and no other private placements to insiders were completed by the Company in the immediately preceding six month period. Further, the issuance of the First Closing Debentures did not require shareholder approval under the ASX Listing Rules as the First Closing Debentures were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1.

### **Description of the Debentures**

The following is a summary of certain material terms of the Debentures, the form of which is included as Exhibit A to the Debenture Purchase Agreement, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com). This summary does not contain all of the information about the Debentures. The rights and obligations of the parties to the Debentures are governed by the express terms of the Debentures and not by this summary or any other information in this Circular.

#### *Maturity*

The Debentures will mature on the date (the "Maturity Date") that is the earlier of (i) June 30, 2016, or (ii) three years following the Third Closing Date (as defined below).

### *Subordination*

The Debentures are unsecured obligations of the Borrowers, rank *pari passu* with all existing and future unsecured indebtedness of the Borrowers, and will be effectively subordinated to all future secured debt of the Borrowers to the extent of the assets securing such debt.

Pursuant to the Debenture Purchase Agreement, in the event the Borrowers incur any debt or issue any preferred securities or any convertible instruments on materially preferential terms for such lenders or subscribers to the terms of the Debentures, the terms of such Debentures (including the interest rate thereon and the Establishment Fee) will be adjusted or replaced to match such preferential terms or otherwise provide equivalent compensation to Sentient.

### *Guarantees*

The obligations of the Borrowers under the Debentures are guaranteed by each of Marengo Mining (Australia) Limited and Yandera Mining Company (Holdings) Pty Limited.

### *Payment of Interest*

The Debentures bear interest at a rate of 9.00% per annum, payable semi-annually in arrears on April 30 and October 30 of each year, commencing on October 30, 2013 until the Maturity Date. The October 30, 2013 interest payment will represent accrued interest from the applicable closing date up to but excluding October 30, 2013.

### *Conversion Right*

Each US\$1,000 principal amount of Debentures may be converted into Common Shares or CDIs at the option of Sentient (the "Conversion Right") at a price of C\$0.11 per Common Share (the "Conversion Price"), subject to customary anti-dilution adjustment provisions. On the date of conversion, the outstanding principal amount of Debentures elected by Sentient to be converted into Common Shares shall be deemed to be converted into Canadian dollars using the Bank of Canada noon spot rate on May 27, 2013, which was 1.0329.

## **Regulatory Requirements**

### **TSX Requirements – Section 607(g)(ii)**

Pursuant to Section 607(g)(ii) of the Company Manual of the TSX, shareholder approval is required if during any six month period, private placements are made to insiders for common shares or options, rights or other entitlements to common shares for greater than 10% of the number of common shares issued and outstanding, on a non-diluted basis, prior to the date of the closing of the first private placement to an insider during such six month period.

The issuance of the Final Debentures (as defined below) would result in entitlements to Common Shares being issued to Sentient, an insider of the Company, greater than 10% of the Common Shares outstanding, on a non-diluted basis, within the six month period preceding the Third Closing Date. Accordingly, disinterested shareholder approval is required for the issuance of the Final Debentures in accordance with the rules of the TSX. For the purposes of the rules of the TSX, the votes attaching to 249,953,080 Common Shares held by Sentient, its associates and affiliates and each party who may be considered to be acting jointly or in concert with Sentient will be excluded from the calculation of shareholder approval in respect of the Resolutions.

The Common Shares issuable on conversion of the Final Debentures and the Interest Debentures will not receive final approval of the TSX until, among other things, shareholder approval for the Final Debentures has been obtained. The TSX has conditionally approved the issuance of the Final Debentures and the Common Shares issuable on conversion of the Final Debentures, subject to the Company meeting all conditions of the TSX including disinterested shareholder approval for the issuance of the Final Debentures.

### **Multilateral Instrument 61-101 Requirements**

Sentient is a "related party" of the Company as Sentient is a person that has beneficial ownership of, and control or direction over, directly or indirectly, securities of the Company carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities. As a result, the issuance of the Debentures to Sentient pursuant to the Offering is a "related party transaction" pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). In connection with the Offering, the Company relied on the exemptions set forth in section 5.5(a) and 5.7(a) of MI 61-101 which allow an issuer to forego receiving a formal valuation and minority approval in respect of a related party transaction if at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves the interested parties, exceeds 25% of the issuer's capitalization.

### **ASX Listing Rules**

ASX Listing Rule 7.1 broadly provides, subject to certain exceptions, that a company may issue equity securities (such as the Debentures) up to 15% of its issued share capital in any 12 month period without shareholder approval. Shareholder approval is required where the issue (whether alone or in aggregate with other issues of equity securities made by the company in the past 12 months) would cause the company to breach the 15% limit.

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 ASX Listing Rule 7.1. The effect of such ratification is that the securities the subject of the ratification will not be counted in the 15% limit, therefore restoring a company's discretionary power to issue further equity securities under the 15% threshold in the next 12 months without requiring shareholder approval.

### **Required Shareholder Approval**

At the Meeting, shareholders will also be asked to approve the issuance of the Interest Debentures and the Conversion Price Adjustment Provision (each as hereinafter defined). In addition, shareholders will be asked to ratify the issuance of the Initial Tranche and Second Tranche Debentures (together with the applicable Establishment Fee Debentures) and approve the issuance of all of the Debentures proposed to be issued on the Third Closing Date (the "Final Debentures"), which Final Debentures shall comprise: (i) US\$6,000,000 principal amount of Debentures; (ii) US\$120,000 principal amount of Establishment Fee Debentures; and (iii) the Loan Debentures (as defined below).

### ***Resolution 1***

#### **Interest Debentures**

At the Meeting, shareholders of the Company will be asked to approve the issuance of the Interest Debentures.

The Company shall satisfy its obligation to pay all interest payable under the Debentures through the issuance of additional Debentures (the "Interest Debentures") to Sentient. Shareholders will be asked at the Meeting to consider, and if deemed appropriate, approve the issuance of the Interest Debentures in satisfaction of interest payable under the entire aggregate principal amount of Debentures and Establishment Fee Debentures issued pursuant to the Offering, being US\$15,300,000 (CDN\$15,803,370) with such Interest Debentures to be issued with a set conversion price of C\$0.11 per Common Share, irrespective of when such Interest Debentures are actually issued. Since certain of the Interest Debentures will be issued at a future date (ie. when the interest on the Debentures is due and payable), the set conversion price of C\$0.11 may at such time be outside the permitted allowable discount mandated by the TSX. As a result, the TSX requires that shareholders approve the fixed conversion price of C\$0.11. If the shareholders do not approve the issuance of the Interest Debentures, all interest payable under the Debentures and Establishment Fee Debentures shall be payable in cash.

### **Conversion Price Adjustment Provision**

At the Meeting, shareholders of the Company will be asked to approve the Conversion Price Adjustment Provision.

If the Company, at any time or from time to time prior to conversion of the entire principal amount of the Debentures into Common Shares and other than pursuant to an Excluded Transaction (as such term is defined in the Debenture Purchase Agreement), issues any Common Shares or Common Share Equivalents (as such term is defined in the Debenture Purchase Agreement) at a price per Common Share (the "New Issue Price") that is less than the Conversion Price, other than any issuance for which an adjustment is made pursuant to another provision of the Debenture, then, and in each such case, the Conversion Price will be adjusted to equal the New Issue Price (the "Conversion Price Adjustment Provision"). In the case of the issuance of any Common Share Equivalent, the New Issue Price is calculated as (A) the sum of the price for such Common Share Equivalent plus any additional consideration payable (without regard to any anti-dilution adjustments) upon the conversion, exchange or exercise of such Common Share Equivalent divided by (B) the number of Common Shares initially underlying such Common Share Equivalent.

An adjustment under such provision shall be made whenever such Common Shares or Common Share Equivalents are issued, and shall become effective retroactively (i) in the case of an issuance to shareholders, as such, to a date immediately following the close of business on the record date for the determination of shareholders entitled to receive such Common Shares or Common Share Equivalents; and (B) in all other cases, on the date of such issuance.

If all of the Debentures issued in connection with the Offering (including all Interest Debentures, Establishment Fee Debentures and Loan Debentures) were converted to Common Shares, without giving effect to any Conversion Price Adjustment Provisions, the Company would be required to issue 203,266,831 Common Shares (which represents 17.86% of the current issued and outstanding Common Shares). If all of the Debentures issued in connection with the Offering were converted to Common Shares, after giving effect to the Conversion Price Adjustment Provision, the Company would be required to issue the following number of Common Shares in order to satisfy its obligations under the Debentures:

<b>Example New Issue Price</b>	<b>Approximate Number of Common Shares Issuable on Conversion of the Debentures, after giving effect to the Conversion Price Adjustment Provision<sup>(1)</sup></b>	<b>Percentage this represents of the total issued and outstanding Common Shares as of the date of this Circular, after giving effect to the Conversion Price Adjustment Provision<sup>(1)(2)</sup></b>	<b>Total number of Common Shares held by Sentient, after giving effect to the Conversion Price Adjustment Provision<sup>(1)</sup></b>	<b>Percentage of total issued and outstanding Common Shares held by Sentient, after giving effect to the Conversion Price Adjustment Provision<sup>(1)(2)(3)</sup></b>
<b>\$0.01</b>	<b>2,235,935,141</b>	<b>196.50%</b>	<b>2,485,888,221</b>	<b>73.68%</b>
<b>\$0.03</b>	<b>745,311,714</b>	<b>65.50%</b>	<b>995,264,794</b>	<b>52.85%</b>
<b>\$0.05</b>	<b>447,187,028</b>	<b>39.30%</b>	<b>697,140,108</b>	<b>43.98%</b>
<b>\$0.07</b>	<b>319,419,306</b>	<b>28.07%</b>	<b>569,372,386</b>	<b>39.07%</b>
<b>\$0.10</b>	<b>223,593,514</b>	<b>19.65%</b>	<b>473,546,594</b>	<b>34.78%</b>

(1) Assuming an outstanding amount of Debentures (including Interest Debentures, Establishment Fee Debentures and Loan Debentures) of US\$21,647,160 (CDN\$22,359,351 using the Bank of Canada noon spot rate on May 27, 2013, which was 1.0329).

(2) Assumes the total number of issued and outstanding Common Shares prior to giving effect to the Conversion Price Adjustment Provision is 1,137,870,521.

(3) Assumes the total number of Common Shares held by Sentient is 249,953,080.

## ***Resolution 2***

### **Ratification of Issuance of Initial Tranche and Second Tranche Debentures**

A summary of ASX Listing Rules 7.1 and 7.4 is set out above. See "*Regulatory Requirements – ASX Listing Rules*".

The Company seeks ratification under ASX Listing Rule 7.4 of the issue of the Initial Tranche and Second Tranche Debentures, together with the applicable Establishment Fee Debentures, that was made to Sentient on May 30, 2013 in order to restore the right of the Company to issue further equity securities within the 15% limit during the next 12 months.

Exception 4 of ASX Listing Rule 7.2 provides that any issue of shares on conversion of convertible securities is exempted from the 15% limit under Listing Rule 7.1 provided the Company complied with the ASX Listing Rules when it issued the convertible securities. As the Initial Tranche and Second Tranche Debentures and corresponding Establishment Fee Debentures were issued under the Company's 15% capacity under Listing Rule 7.1 and if shareholders approve the resolutions contained herein, any issue of Common Shares or CDIs on conversion of the Initial Tranche or Second Tranche Debentures and corresponding Establishment Fee Debentures will not be counted in the 15% limit, shareholder approval will not be required for the issue of Common Shares or CDIs on conversion of the Debentures.



The following information in relation to the Initial Tranche and Second Tranche Debentures and corresponding Establishment Fee Debentures is provided to shareholders for the purposes of ASX Listing Rule 7.5:

- (a) the 3,500 Initial Tranche and 5,500 Second Tranche Debentures and 180 Establishment Fee Debentures were issued;
- (b) the Initial Tranche and Second Tranche Debentures and the applicable Establishment Fee Debentures were issued at a face value of US\$1,000 each;
- (c) a summary of the terms of the Initial Tranche and Second Tranche Debentures and applicable Establishment Fee Debentures is set out above. The full terms are set out in Schedule Exhibit A to the Debenture Purchase Agreement; and
- (d) the applicable Establishment Fee Debentures were issued in satisfaction of an establishment fee. Funds raised from the issue of the balance of the Initial Tranche and Second Tranche Debentures were and will be used for the purposes noted above.

### ***Resolution 3***

#### **Third Tranche**

At the Meeting, shareholders of the Company will be asked to approve the issuance of the Third Tranche Debentures and the applicable Establishment Fee Debentures.

The Debenture Purchase Agreement contains provisions which require the Company to hold a special meeting of shareholders of the Company to approve the issuance of the Third Tranche Debentures and the applicable Establishment Fee Debentures in order to comply with the applicable TSX requirements. Closing of the Third Tranche shall occur on a date within five (5) business days from the receipt of shareholder approval thereof (such date being the "Third Closing Date"). See "*Regulatory Requirements – TSX Requirements – Section 607(g)(ii)*".

Completion of the Third Tranche is subject to standard closing conditions and approvals customary for a transaction of this type, including approval of each of the TSX and the ASX for the issuance of the Third Tranche Debentures, the applicable Establishment Fee Debentures and the Common Shares issuable on conversion thereof and obtaining the requisite shareholder approvals. In addition, the Third Tranche is conditional on Sentient being satisfied with the Company's work program and related budgets for the development of the Company's Yandera copper-molybdenum-gold project located in Madang Province, Papua New Guinea (the "Yandera Project").

The Company is seeking shareholder approval under ASX Listing Rule 7.1 of the issue of the Third Tranche Debentures together with the applicable Establishment Fee Debentures in order to maintain the Company's power to issue further equity securities within the 15% limit during the next 12 months.

Exception 4 of ASX Listing Rule 7.2 provides that any issue of shares on conversion of convertible securities is exempted from the 15% limit under ASX Listing Rule 7.1 provided the Company complied with the ASX Listing Rules when it issued the convertible securities. If shareholders approve the issue of the Third Tranche Debentures and applicable Establishment Fee Debentures, any issue of Common Shares or CDIs on conversion of these Debentures will not be counted in the 15% limit, shareholder approval will not be required for the issue of Common Shares or CDIs on conversion of the Debentures.

The following information in relation to the Third Tranche Debentures and applicable Establishment Fee Debentures to be issued is provided to shareholders for the purposes of ASX Listing Rule 7.3:

- (a) the maximum number of Third Tranche Debentures the Company can issue is 6,000. The maximum number of corresponding Establishment Fee Debentures the Company can issue is 120;
- (b) the Company intends to issue the Third Tranche Debentures and applicable Establishment Fee Debentures on the date that is 5 business days after the date of the Meeting and in any event no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the ASX Listing Rules;
- (c) the Third Tranche Debentures and the applicable Establishment Fee Debentures will be issued on one date;
- (d) the Third Tranche Debentures and applicable Establishment Fee Debentures will be issued with a face value of US\$1,000 each;
- (e) the Third Tranche Debentures and applicable Establishment Fee Debentures will be issued to Sentient;
- (f) a summary of the terms of the Third Tranche Debentures and applicable Establishment Fee Debentures is set out above. The full terms are set out in Exhibit A to the Debenture Purchase Agreement; and
- (g) the applicable Establishment Fee Debentures will be issued in satisfaction of an establishment fee. Funds raised from the issue of the Third Tranche Debentures will be used for the purposes noted above.

#### ***Resolution 4***

##### **Payment of Interest on Sentient Existing Debt**

At the Meeting, shareholders of the Company will be asked to approve the issuance of the Loan Debentures.

Pursuant to a loan agreement dated February 6, 2013 between the Company and Sentient, Sentient provided to the Company an unsecured interest-bearing working capital debt facility of US\$10,000,000 (the "Sentient Loan"). On February 12, 2013, the Company drew down US\$4,000,000 against such facility. The Company drew down a further US\$4,000,000 on March 5, 2013, US\$1,900,000 on March 22, 2013 and US\$100,000 on May 30, 2013. The Sentient Loan will remain outstanding following the closing of the Third Tranche.

Pursuant to an amendment and accession agreement dated May 27, 2013 (the "Amending Agreement"), the parties to the Sentient Loan and the guarantors of the Sentient Loan (being Marengo Mining (Australia) Limited and Yandera Mining Company (Holdings) Pty Limited) agreed to amend the terms of the Sentient Loan to allow for the payment of interest through the issuance of Debentures. Pursuant to the Amending Agreement, each of YMCL and MMPL acceded as additional borrowers under the Sentient Loan.

Pursuant to the terms of the Debenture Purchase Agreement, the Company shall satisfy its obligation to pay interest payable or which may become payable under the Sentient Loan to August 6, 2013 through the issuance of US\$1,000,000 aggregate principal amount of additional Debentures (the "Initial Loan Debentures") and interest which may become payable on the Sentient Loan from August 7, 2013 to expiry will be payable in cash, or subject to agreement between the parties, in up to an additional US\$698,356.16 aggregate principal amount of additional Debentures (the "Supplemental Loan Debentures" and, together with the Initial Loan Debentures, the "Loan Debentures") to Sentient.

A summary of ASX Listing Rules 7.1 and 7.4 is set out above. See "*Regulatory Requirements – ASX Listing Rules*". The Company is seeking shareholder approval under ASX Listing Rule 7.1 of the issue of the Initial Loan Debentures in order to maintain the Company's power to issue further equity securities within the 15% limit during the next 12 months.

Exception 4 of ASX Listing Rule 7.2 provides that any issue of shares on conversion of convertible securities is exempted from the 15% limit under ASX Listing Rule 7.1 provided the Company complied with the ASX Listing Rules when it issued the convertible securities. If shareholders approve the issue of the Initial Loan Debentures, any issue of Common Shares or CDIs on conversion of the Initial Loan Debentures will not be counted in the 15% limit and shareholder approval will not be required for the issue of Common Shares or CDIs on conversion of the Initial Loan Debentures.

The following information in relation to the Initial Loan Debentures to be issued is provided to shareholders for the purposes of ASX Listing Rule 7.3:

- (a) the maximum number of Initial Loan Debentures the Company can issue is 1,000;
- (b) the Company intends to issue the Initial Loan Debentures on the date that is 5 business days after the date of the Meeting and in any event no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the ASX Listing Rules;
- (c) the Initial Loan Debentures will be issued on one date;
- (d) the Initial Loan Debentures will be issued with a face value of US\$1,000 each;
- (e) the Initial Loan Debentures will be issued to Sentient;
- (f) a summary of the terms of the Initial Loan Debentures is set out above. The full terms are set out in Exhibit A to the Debenture Purchase Agreement; and
- (g) the purpose of the issue of the Initial Loan Debentures is set out above.

### **Resolutions**

**At the Meeting, the disinterested shareholders of the Company will be asked to consider and, if thought advisable, approve the following resolutions (the "Resolutions"), the text of which is as follows:**

NOW THEREFORE BE IT RESOLVED THAT:

**Resolution 1**

The issuance of the Interest Debentures and the terms of the Conversion Price Adjustment Provision, all as defined and on such terms as more particularly described in the management information circular of the Company dated June 11, 2013, are hereby ratified, approved and authorized and any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

**Resolution 2**

For the purposes of ASX Listing Rule 7.4 and all other purposes, the issuance of the Initial Tranche and Second Tranche Debentures and the applicable Establishment Fee Debentures to Sentient, all as defined and on such terms as more particularly described in the management information circular of the Company dated June 11, 2013, are hereby ratified, approved and authorized and any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

**Resolution 3**

For the purposes of ASX Listing Rule 7.1 and all other purposes, the issuance of the Third Tranche Debentures and the applicable Establishment Fee Debentures to Sentient, all as defined and on such terms as more particularly described in the management information circular of the Company dated June 11, 2013, are hereby ratified, approved and authorized and any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

**Resolution 4**

For the purposes of ASX Listing Rule 7.1 and all other purposes, the issuance of the Loan Debentures to Sentient, all as defined and on such terms as more particularly described in the management information circular of the Company dated June 11, 2013, are hereby ratified, approved and authorized and any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

**SENTIENT WILL ABSTAIN FROM VOTING ON THE FOREGOING RESOLUTIONS, THE APPROVAL OF A MAJORITY OF DISINTERESTED SHAREHOLDERS OF THE COMPANY IS THEREFORE SOUGHT.**

A total of 249,953,080 Common Shares will be excluded from the vote to approve the Resolutions.

### **Directors' Recommendation**

The Board of Directors of the Company believes that the Resolutions are in the best interest of the Company. **The Board recommends that all shareholders of the Company vote FOR the Resolutions. The persons whose name appears in the attached form of proxy intend to vote FOR the Resolutions.**

### **INFORMATION WITH RESPECT TO SENTIENT AND ITS OWNERSHIP INTEREST IN THE COMPANY**

Sentient Global Resources Fund IV, L.P. is a Cayman-based, ten-year closed-end private equity fund managed by the Sentient Group. The Sentient Group is an independent private equity investment firm specialising in the global resources industry. The Sentient Group is based in the Cayman Islands with subsidiary offices and affiliates in Sydney (Australia), Montreal (Canada), and Munich (Germany). The Sentient Group manages over US\$2.7 billion in the development of metal, mineral and energy assets across the globe through its Cayman-based, private equity Sentient Global Resources Funds. Further information about Sentient can be found on its website [www.sentientgroup.com](http://www.sentientgroup.com).

Prior to entering into the Debenture Purchase Agreement, Sentient held 249,953,080 Common Shares, representing approximately 21.97% of the then issued and outstanding Common Shares. If Sentient exercises the Conversion Right in full in respect all of the Debentures issued on the First Closing Date and the Second Closing Date (including Debentures issued in satisfaction of interest payable on US\$9,000,000 aggregate principal amount of Debentures and US\$180,000 aggregate principal amount of Establishment Fee Debentures), Sentient will own an aggregate of approximately 362,344,640 Common Shares, representing approximately 28.98% of the then issued and outstanding Common Shares.

If Sentient exercises the Conversion Right in respect of all of the Final Debentures, Sentient could acquire an additional approximately 90,875,271 Common Shares.

Assuming exercise by Sentient of the Conversion Right in respect of (i) all of the Debentures issued in the Offering (including all Interest Debentures and all Establishment Fee Debentures) and (ii) all of the Loan Debentures, Sentient will own an aggregate of 453,219,911 Common Shares, representing approximately 33.79% of the then issued and outstanding Common Shares.

### **OTHER MATTERS**

The information contained herein is given as of June 11, 2013, except where indicated. Management of the Company knows of no amendment of the matters referred to in the Notice of Meeting. However, if any amendment, variation or other business should properly be brought before the Meeting, the accompanying Form of Proxy confers discretionary authority upon the persons named therein to vote upon any amendment or variation of the matters referred to in such notice or on such other business in accordance with their best judgment.

### **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 the Company's financial statements and related MD&A are available upon request from the Company's Corporate Secretary as well as on the Company's website. Additional information relating to the Company is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

**INDEBTEDNESS OF OFFICERS AND DIRECTORS**

No officer or director of the Company is indebted to the Company for any sum.

**INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS**

No insider of the Company and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Company's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries, other than disclosed under the heading "*Approval of the Resolutions*".

**APPROVAL OF DIRECTORS**

The Circular and the mailing of same to shareholders have been approved by the Board.

DATED the 11<sup>th</sup> day of June, 2013.

**BY ORDER OF THE  
BOARD OF DIRECTORS**

*(signed) "Les Emery"*

Les Emery  
President, Chief Executive Officer and Director

**Schedule "A"**

## Shareholder Resolutions

**NOW THEREFORE BE IT RESOLVED THAT:****Resolution 1**

The issuance of the Interest Debentures and the terms of the Conversion Price Adjustment Provision, all as defined and on such terms as more particularly described in the management information circular of the Company dated June 11, 2013, are hereby ratified, approved and authorized and any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

**Resolution 2**

For the purposes of ASX Listing Rule 7.4 and all other purposes, the issuance of the Initial Tranche and Second Tranche Debentures and the applicable Establishment Fee Debentures to Sentient, all as defined and on such terms as more particularly described in the management information circular of the Company dated June 11, 2013, are hereby ratified, approved and authorized and any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

**Resolution 3**

For the purposes of ASX Listing Rule 7.1 and all other purposes, the issuance of the Third Tranche Debentures and the applicable Establishment Fee Debentures to Sentient, all as defined and on such terms as more particularly described in the management information circular of the Company dated June 11, 2013, are hereby ratified, approved and authorized and any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

**Resolution 4**

For the purposes of ASX Listing Rule 7.1 and all other purposes, the issuance of the Loan Debentures to Sentient, all as defined and on such terms as more particularly described in the management information circular of the Company dated June 11, 2013, are hereby ratified, approved and authorized and any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.



**MARENGO**  
MINING LIMITED

ARBN 161 356 930



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

**Lodge your vote:**



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## CDI Voting Instruction Form

**For your vote to be effective it must be received by 5:00pm (AWST) Sunday 7 July 2013**

### How to Vote on Items of Business

Each CHESS Depository Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI that you own at 13 May 2013 entitles you to one vote.

You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depository Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depository Nominees Pty Ltd enough time to tabulate all CHESS Depository Interest votes and to vote on the underlying shares.

### 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 Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory, ie Sole Director, Sole Company Secretary or Director and Company Secretary. Delete titles as applicable.

**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](http://www.investorcentre.com)**

- Review your securityholding
- 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

# CDI Voting Instruction Form

Please mark  to indicate your directions

## STEP 1 CHESSE Depository Nominees will vote as directed XX

### Voting Instructions to CHESSE Depository Nominees Pty Ltd

**A**  I/We being a holder of CHESSE Depository Interests of Marengo Mining Limited hereby direct CHESSE Depository Nominees Pty Ltd (CDN) to vote on my/our behalf with respect to the Resolutions below in the manner instructed in Step 2 below.

OR please mark box A **OR** B

**Appointment of Proxy.** CDN appoints:

**B**  **the Chairman of the Meeting** OR  Write the name of the person if this is someone other than the Chairman of the Meeting.

to attend, speak and vote the shares underlying my/our holding at the Special Meeting of Marengo Mining Limited to be held at the offices of Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario on Thursday, 11 July 2013 at 4:00pm (Toronto time) and at any adjournment of that meeting.

CDN instructs its proxy to vote on the resolutions proposed at the meeting in accordance with the directions in Step 2 below. Where no direction is given, the proxy may vote as they see fit. In addition, the proxy can vote as they see fit on any other business of the meeting, including amendments to the resolutions and at any adjournment of the meeting.

## STEP 2 Items of Business

**Voting Instructions - please mark 'X' to indicate your directions:**

ORDINARY BUSINESS		For	Against
Resolution 1	Approval of Conversion Price Adjustment and Interest Payment Provisions	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Issuance of US \$9,180,000 principal amount of Debentures	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Issuance of US \$6,120,000 principal amount of Debentures	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Issuance of US \$1,698,356.16 principal amount of Debentures	<input type="checkbox"/>	<input type="checkbox"/>

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

Individual or Securityholder 1 <input type="text"/> Sole Director and Sole Company Secretary	Securityholder 2 <input type="text"/> Director	Securityholder 3 <input type="text"/> Director/Company Secretary
Contact Name _____	Contact Daytime Telephone _____	Date / / _____