



**ABN 57 099 496 474**

**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**EXPLANATORY STATEMENT**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**AND**

**PROXY FORM**

**in respect of an**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**to be held at 4:00 p.m. (WST) on Thursday, 5 November 2009**

**As at and dated 30 September 2009**

The **2009 Annual Report** may be viewed on the Company's website at

*[www.marengominig.com](http://www.marengominig.com)*

**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 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual 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 The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 5 November 2009 at 4:00 p.m. WST for the purpose of transacting the following business, in each case, as more particularly described in the the Explanatory Statement accompanying this Notice.

**Financial Statements**

To receive the audited financial statements of the Company for the financial year ended 30 June 2009, and the report of the auditors and directors thereon.

**Resolution 1 - Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution** in accordance with section 250R(2) of the Corporations Act:

*“That the Remuneration Report in the 2009 Annual Report of the Company be adopted.”*

Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.

**Resolution 2 - Re-Election of John Horan as a Director**

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

*“That John Horan, who retires by rotation in accordance with clause 13.2 of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company.”*

**Resolution 3 - Re-Election of Elizabeth Martin as a Director**

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

*“That Elizabeth Martin, who retires by rotation in accordance with clause 13.2 of the Constitution of the Company, and being eligible, offers herself for re-election, is hereby re-elected as a Director of the Company.”*

**Resolution 4 – Ratification of Issue and Allotment of Shares**

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 issue and allotment of 57,452,546 fully paid ordinary shares issued on terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Short Explanation:** Approval is sought under Listing Rule 7.4 to allow the Company to ratify the issue and allotment of these securities. Please refer to the Explanatory Statement for details.

***Voting Exclusion Statement***

*The Company will in accordance with the Listing Rules of the ASX, disregard any votes cast on Resolution 4 by any person who participated in the issue and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it 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.*

***Other Business***

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

For the purposes of Resolutions 1-4 and as detailed in the Explanatory Statement, the following definitions apply:

"**Annual Report**" means the annual report of the Company for the year ended 30 June 2009;

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

"**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;

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

"**Notice**" means this Notice of Annual General Meeting;

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

"**Shares**" means fully paid ordinary shares in the capital of the Company; and

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

**By order of the Board**



**John Ribbons**  
**Company Secretary**  
**Dated: 30 September 2009**

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.

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 4:00 p.m. WST on 3 November 2009 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 2, 9 Havelock Street, West Perth, Western Australia 6005 or Computershare Investor Services Pty Ltd at Level 2, 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, not later than 48 hours prior to the Meeting, or any adjournment thereof (excluding Saturdays, Sundays and holidays) by mail to Computershare Investor Services Inc, at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 or by facsimile at 1 866 249 7775.

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.

**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 annual general meeting of the holders of the ordinary shares of the Company (the “**Shareholders**”) to be held on Thursday, 5 November 2009 at 4:00 p.m. WST, and any adjournment thereof (the “**Meeting**”), at the place and for the purposes set forth in the accompanying Notice of Meeting.

**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 of meeting attached hereto (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.

**2009 Financial Statements**

To receive the financial statements of the Company for the year ended 30 June 2009, consisting of the Annual Financial Report, the Directors’ Report and the Auditor’s Report.

**Resolution 1 - Adoption of Remuneration Report**

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2009 (the “**Remuneration Report**”). The Remuneration Report is a distinct section of the annual directors’ report (the “**Directors’ Report**”) which deals with the remuneration of directors and executives of the Company. More particularly, the Remuneration Report can be found within the Directors’ Report in the Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company’s remuneration policy and the process for determining the remuneration of its directors and executive officers;
- (b) addresses the relationship between the Company’s remuneration policy and the Company’s performance; and
- (c) sets out the remuneration details for each director and executive officer named in the Remuneration Report for the financial year ended 30 June 2009.

The Directors recommend that Shareholders vote in favour of the adoption of the Remuneration Report. However, as previously stated, the vote on the adoption of this resolution is advisory only and does not bind the Company. The Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Chair of the Meeting will provide Shareholders with reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

**Resolution 2 - Re-Election of John Horan as a Director**

The Board presently consists of seven (7) Directors: Mr John Horan, Mr Leslie Emery (also the Company’s Managing Director), Dr Douglas Dunnet, Sir Rabbie Namaliu, Ms Susanne Sesselmann, Mr John Hick and Ms Elizabeth Martin.

In accordance with the Company’s Constitution, the directors of the Company shall be elected and shall retire in rotation, with one-third of the directors (excluding the Managing Director and rounded down to the nearest whole number) subject to election at each annual general meeting of Shareholders held to elect directors.

Based on the foregoing, pursuant to the Company's Constitution Mr Horan must retire from office as of the Meeting. However, being eligible, Mr Horan offers himself for re-election. Mr Horan has been a Director of the Company since 2002. Mr Horan last retired from office at the Company's 2006 annual general meeting and was re-elected as a director at that meeting. If re-elected, Mr Horan will hold office for a term of three years from the date of his election or until he is required to seek re-election pursuant to the Company's Constitution at an annual general meeting of Shareholders following such date, whichever is earlier.

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. Mr Horan has many years experience in the financial, corporate, technical and management areas of the mining industry.

Mr Horan has been a director of a number of mining and exploration companies in Australia and internationally. He is currently a director of Adelaide Resources Limited, listed on Australian Securities Exchange (ASX).

From the early 1960s until the second half of the 1970s, Mr Horan held various financial, corporate administrative and management positions in Poseidon Limited and CRA Limited (now Rio Tinto Limited).

From 1987 until June 1993, Mr Horan was the finance director of Homestake Gold of Australia Limited (now Barrick Gold Corporation) ("Homestake"), one of Australia's largest gold producers. Mr Horan first joined Homestake in 1978 and was responsible for financial, commercial and corporate management functions until 1987 when he began to play a substantial role in the float of the Australian subsidiary. Mr Horan also fulfilled key responsibilities at Homestake in respect of certain very large debt and equity capital raisings. In July 1993, Mr Horan established Adelaide Resource Management Pty Ltd to provide corporate advisory services to the mining industry.

The Directors recommend that Shareholders vote in favour of the election of Mr Horan.

### **Resolution 3 - Re-Election of Elizabeth Martin as a Director**

The Board presently consists of seven (7) Directors: Mr John Horan, Mr Leslie Emery (also the Company's Managing Director), Dr Douglas Dunnet, Sir Rabbie Namaliu, Ms Susanne Sesselmann, Mr John Hick and Ms Elizabeth Martin.

In accordance with the Company's Constitution, the directors of the Company shall be elected and shall retire in rotation, with one third of the directors (excluding the Managing Director and rounded down to the nearest whole number) subject to election at each annual general meeting of Shareholders held to elect directors.

Based on the foregoing, pursuant to the Company's Constitution Ms Martin must retire from office as of the Meeting. However, being eligible, Ms Martin offers herself for re-election. Ms Martin has been a Director of the Company since 2008. Shareholders approved Ms Martin's appointment at the Company's 2008 annual general meeting. If re-elected, Ms Martin will hold office for a term of three years from the date of her election or until Ms Martin is required to seek re-election pursuant to the Company's Constitution at an annual general meeting of Shareholders following such date, whichever is earlier.

Ms Elizabeth Martin is a Toronto based, professional accountant (C.M.A) with a strong background in international exploration and mining companies. Ms Martin has held senior management roles in base metal and precious metal companies such as Northgate Mines Inc., Western Mining Corporation Limited, IAMGOLD Corporation and High River Gold Mines Ltd.

Ms Martin is currently a director of Aura Minerals Inc. and Manicouagan Minerals Inc. both publicly traded companies. Ms Martin is also past Chair of the Board of St. John's Rehabilitation Hospital and is currently a director of Sunnybrook Health Sciences Centre, both located in Toronto.

The Directors recommend that Shareholders vote in favour of the election of Ms Martin.

At the next annual general meeting of Shareholders held to elect directors, Mr John Hick and Ms Susanne Sesselmann shall retire from office, but may stand for re-election for a term of three years from the date of re-election.

The following table sets out the name of the nominee for re-election as a Director of the Company and each Director whose term of office as a Director will continue after the Meeting, the province or state and the country in which each is ordinarily resident, all offices of the Company now held by each of them, their present principal occupations, business or employment, the period of time for which each has been a Director of the Company, and the number of

Shares of the Company or its subsidiary beneficially owned by each, or over which control or direction is exercised, directly or indirectly as at the date hereof.

<b>Name and Residence<sup>(1)</sup></b>	<b>Position with the Company</b>	<b>Principal Occupation or Employment<sup>(1)</sup></b>	<b>Period as a Director of the Company</b>	<b>No. of Shares beneficially owned directly or indirectly<sup>(1)</sup></b>
<b>John Horan<sup>(2)(4)</sup></b> South Australia, Australia	Non-Executive Chairman	Principal of Adelaide Resource Management Pty Limited (provides consulting services to various public and private companies including Marengo)	Since 23 April 2002	1,360,000
<b>Les Emery<sup>(3)</sup></b> Western Australia, Australia	Managing Director	Managing Director of Marengo Mining Limited	Since 23 April 2002	5,935,000
<b>Douglas Dunnet<sup>(2)</sup></b> New South Wales, Australia	Non-Executive Director	Geologist, currently retired, formerly providing consulting services	Since 23 April 2002	278,967
<b>Sir Rabbie Namaliu<sup>(3)</sup></b> East New Britain, Papua New Guinea	Non-Executive Director	Director of an investment fund, Kina Asset Management Limited and former member of PNG National Parliament	Since 11 February 2008	210,200
<b>Susanne Sesselmann</b> Bavaria, Germany	Non-Executive Director	Director of the Sentient Group <sup>(5)</sup> (a private equity resources fund) and the Meridiam Infrastructure Fund (a private equity investment fund)	Since 15 May 2008	184,000
<b>John Hick<sup>(4)</sup></b> Ontario, Canada	Non-Executive Director	Independent consultant and director of the following public companies Aeroquest International Ltd., Carpathian Gold Inc, First Uranium Corporation, Hudson Resources Inc., Marengo Mining Ltd. and Timminco Ltd.	Since 10 June 2008	Nil
<b>Elizabeth Martin<sup>(2)(4)</sup></b> Ontario, Canada	Non-Executive Director	Director of Aura Minerals Inc. and Manicouagan Minerals Inc., both publicly traded companies.	Since 10 June 2008	Nil

Notes:

- (1) The information as to residence, principal occupation and shares beneficially owned is not within the knowledge of management of the Company and has been furnished by the respective individuals.
- (2) Member of the Audit Committee.
- (3) Member of the Safety and Environment Committee.
- (4) Member of the Remuneration Committee.
- (5) The Sentient Group owns, controls or directs, directly or indirectly, 132,659,080 shares, or 26.64% of the issued and outstanding Shares of the Company.

Except as noted below, no proposed director is or has, within the past ten years, been a director, chief executive officer or chief financial officer of any other issuer that, while that person was acting in that capacity:

- (1) was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in that capacity;
- (2) was subject to a cease trade or similar order or an order that denied the relevant issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days which resulted from an event that occurred while that person was acting in that capacity; or
- (3) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity.

During 2008, Mr Hick was a director and non-executive Chairman of the Board of Tamaya Resources Limited, an Australian incorporated and ASX listed company, which made a Voluntary Appointment of an Administrator, Ernst & Young (Australia), as a result of becoming insolvent. The reasons for the insolvency are summarized in the Questionnaire and Report to the Administrators dated November 14, 2008, as filed with the Australian Stock Exchange. As a result of the Voluntary Administration, effective upon the appointment of the Administrators on October 26, 2008, the appointed Administrators immediately assumed all legal powers, rights and obligations of the directors of Tamaya and the directors had no legal rights with respect to the administration or management of Tamaya or its assets.

No proposed director has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

No proposed director has been subject to either (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

#### **Resolution 4 - Ratification of Allotment and Issue of Shares**

As announced on 2 September 2009, the Company completed a private placement of 57,452,546 Shares to raise \$5,457,992. The private placement was conducted in Australia in connection with an offering of 172,500,000 ordinary shares at a price of C\$0.086 per share for aggregate gross proceeds to the Company of C\$14,835,000 by way of a short form prospectus dated August 24, 2009 filed with certain Canadian securities regulatory authorities (the "Offering").

ASX Listing Rule 7.4 permits the ratification of previous issues of shares 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 a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 4 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify previous issues of Shares. The Company confirms that the issue and allotment of the Shares, the subject of Resolution 4 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:

- (a) 57,452,546 Shares were allotted and issued by the Company;
- (b) Funds were raised for the cost of completing the exploration program and definitive feasibility study on the Company's 100% owned Yandera Project, and for general corporate and working capital purposes.
- (c) the issue price per Share was A\$0.095;
- (d) the Shares were allotted to sophisticated and professional investors introduced by New Holland Capital Pty Limited all of whom are unrelated parties of the Company;
- (e) A\$5,457,992 (less costs) was raised from the issue of Shares;
- (f) the Shares rank equally with the existing Shares; and
- (g) a voting exclusion statement is included in the Notice.

The Directors recommend shareholders vote in favour of Resolution 4 as it will provide the Company with further flexibility should any share issue be considered desirable or advisable in the next 12 months.

#### **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.**

### **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 The Celtic Club, 48 Ord Street, West Perth, Western Australia, on Thursday, 5 November 2009 at 4:00 p.m. 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 provide 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 or officers 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 4:00 p.m. WST on 3 November 2009 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 2, 9 Havelock Street, West Perth, Western Australia 6005 or Computershare Investor Services Pty Ltd at Level 2, 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); and
2. in respect of Shareholders registered on the Company's Canadian share register, prior to 4:00 p.m. WST on , 3 November 2009 by mail to Computershare Investor Services Inc, at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 or by facsimile at 1 866 249 7775.

### **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. Shares represented by proxy will be voted in accordance with the instructions of the Shareholder, however, 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 (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 his 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 the OBOs. 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.

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.

#### **Voting Shares and Record Date**

The authorised capital of the Company consists of an unlimited number of Shares of which as of 30 September 2009 497,969,521 Shares were issued and outstanding as fully paid. The 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 Share is entitled to one vote at the Meeting.

4:00 p.m. (WST) on 3 November 2009 is 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.	132,659,080	26.64%
Quantum Partners LDC	99,095,934	19.90%

**Indebtedness of Directors and Executive Officers**

As at 30 September 2009, no executive officer, director, employee or former executive officer, director or employee of the Company or any subsidiary is indebted to the Company or its subsidiary (or to another entity if such indebtedness has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary), in connection with a purchase of securities or otherwise except that on 11 June 2008 the Company provided financial assistance to Mr Emery by way of a loan in the amount of A\$1,000,000 (the “**Emery Loan**”) to enable Mr Emery to exercise 4,000,000 options to purchase Shares of Marengo owned by him which were exercisable on or before 30 November 2008. The Emery Loan is an interest-free, limited recourse loan. The Emery Loan has a term of ten years and is repayable by Mr Emery during that period if and to the extent that Mr Emery receives dividends on Marengo’s Shares. Upon the ten year anniversary of the loan, Mr Emery will be required to repay the principal amount outstanding, except that if Mr Emery sells the Shares acquired with the proceeds of the Emery Loan for an amount that is less than the amount owing under the loan, the Company will accept the proceeds of such sale in full and final satisfaction of the outstanding amount of the Emery Loan. The entire amount of the Emery Loan is currently outstanding.

Details of the aggregate indebtedness of directors and executive officers to the Company are summarised below:

<u>Purpose</u>	<u>Aggregate indebtedness (A\$) to the Company or its Subsidiaries</u>	<u>To another Entity</u>
The exercise of Share options	\$1,000,000	Nil

Details of the Emery Loan are summarized below:

<u>Name and Principal Position</u>	<u>Involvement of Company or Subsidiary</u>	<u>Largest Amount Outstanding During the Financial Year Ended 30 June 2009 (\$)</u>	<u>Amount Outstanding as at 31 August 2009 (\$)</u>	<u>Financially Assisted Securities Purchases During the Financial Year Ended 30 June 2009 (#)</u>	<u>Security for Indebtedness</u>	<u>Amount Forgiven During 30 June 2009 (\$)</u>
Securities Purchase Programs Les Emery, Managing Director	<b>Marengo Mining Limited</b>	<b>1,000,000</b>	<b>1,000,000</b>	-	<b>Shares issued upon conversion of options</b>	-
Other Programs	-	-	-	-	-	-

Other than as set out above, no person who is a director or executive officer of the Company, or who was a director or executive officer of the Company at any time during the most recently completed financial year, any proposed nominee for election as a director or any person who is an associate of any such director, executive officer, former director, former executive officer or proposed nominee is, or at any time during the most recently completed financial year of the Company was, indebted to the Company or its subsidiary or to another entity if such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary.

### **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, 2009, the Company had three Named Executive Officers: Les Emery, Managing Director, John Ribbons, Chief Financial Officer and Company Secretary and Andrew Meloncelli who provided service to the Company as Chief Financial Officer and Company Secretary until March 30, 2009.

#### **Compensation Discussion & Analysis**

##### *Overview of Compensation Program*

On 12 September 2008, the Board of Directors established a remuneration committee (the "**Remuneration Committee**"). The Remuneration Committee is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board of Directors with respect to the compensation of the Company's executive officers. The 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.

##### *Compensation Philosophy and Objectives*

The primary objective of the Remuneration 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 Remuneration Committee assists the Board in fulfilling its responsibilities by:

- reviewing and making recommendations to the Board with respect to salary and incentive compensation, including bonuses and stock option awards and other benefits, direct or indirect, and any employment agreements and/or change of control packages for senior executives as well as compensation for the non-executive directors;
- making recommendations to the Board with respect to general salary guidelines for the Company;
- administering the Company's compensation plans, including stock option plans, as adopted by the Board from time to time;
- reviewing the Company's policies in respect of benefits; and
- ensuring that the Company's compensation practices and philosophies are consistent with the objective of enhancing shareholder value and attracting and retaining qualified senior executives.

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

The Remuneration 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 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 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.

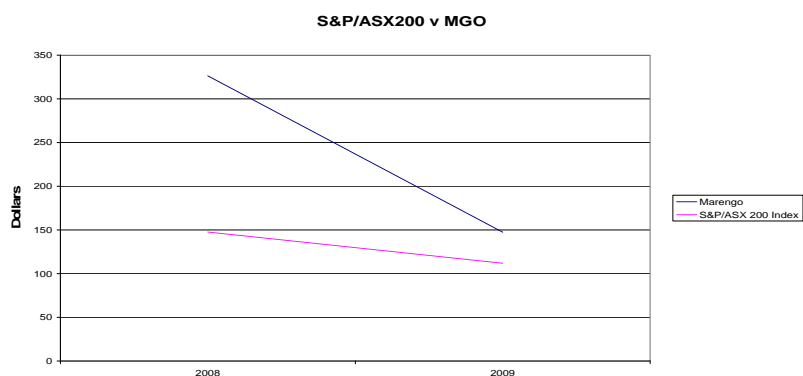
Bonuses are used to reward executive officers for achieving certain objectives. The Company’s performance and the performance of the individual during the period is considered in determining whether a bonus will be paid and if so, the amount of the bonus.

*Compensation of the Managing Director*

Compensation of the Managing Director includes a base cash compensation level and stock option 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 Remuneration 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, assuming an initial investment of \$A100, the yearly percentage change in the Company’s cumulative total shareholder return on its Shares against the cumulative total shareholder return of the S&P/ASX 200 Index for the Company’s most recently completed financial years.



	<u>30 June 2008</u>	<u>30 June 2009</u>
Marengo	326.32	147.37
S&P/ASX 200 Index (Total Return)	147.62	111.94

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-based awards

The Company uses stock option 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 option grants should be made and to determine the terms and conditions of any such options (after considering the recommendation of the Remuneration 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 compensation of the Named Executive Officers for the financial year ended June 30, 2009.

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\$)
<b>Les Emery</b> <sup>(8)</sup> Managing Director	2009	538,887 <sup>(7)</sup>	—	81,869 <sup>(5)</sup>	—	—	43,930 <sup>(4)</sup>	16,339 <sup>(3)</sup>	681,025
<b>Andrew Meloncelli</b> <sup>(1)</sup> Former Chief Financial Officer and Company Secretary	2009	139,076	—	7,570	—	—	16,541 <sup>(4)</sup>	31,846 <sup>(6)</sup>	195,033
<b>John Ribbons</b> <sup>(2)</sup> Chief Financial Officer and Company Secretary	2009	50,583	—	—	—	—	—	—	50,583

Notes:

- (1) Mr Meloncelli ceased providing services to the Company as Chief Financial Officer and Company Secretary as of 30 March 2009.
- (2) Mr Ribbons is employed by DWCorporate Pty Ltd ("DWCorporate"). DWCorporate began providing services to the Company including the provision of Mr Ribbons as Chief Financial Officer and Company Secretary from 30 March 2009.
- (3) Represents car allowance.
- (4) Represents superannuation payments.
- (5) 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.
- (6) Termination benefit.
- (7) Includes unused annual leave entitlement of \$217,726.
- (8) Mr Emery does not receive additional compensation for serving as a director.

### Narrative Discussion

Mr Meloncelli left the employ of Marengo on March 30, 2009. Mr Meloncelli was paid an annual salary of A\$184,000 plus a superannuation contribution of A\$16,541. Mr Meloncelli received a termination benefit of \$31,846.

DWCorporate Pty Ltd ("DWCorporate") provided Chief Financial Officer, Company Secretary and other corporate services to the Company during 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>Named Executive Officer</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 share or units of shares that have not vested</u> (#)	<u>Market or payout value of share-based awards that have not vested</u> (A\$)
<b>Les Emery</b> Managing Director	1,500,000	0.50	15/08/2013	—	900,000	87,300
<b>John Ribbons</b> <sup>(1)</sup> Chief Financial Officer and Company Secretary	—	—	—	—	—	—
<b>Andrew Meloncelli</b> <sup>(2) (3)</sup> Former Chief Financial Officer and Company Secretary	500,000	0.25	18/12/2013	—	400,000	14,400

Notes:

- (1) DWCorporate began providing services to the Company as Chief Financial Officer and Company Secretary on 30 March 2009. Mr Ribbons is employed and remunerated by DWCorporate.
- (2) Mr Meloncelli ceased providing services to the Company as Chief Financial Officer and Company Secretary on 30 March 2009.
- (3) Options as disclosed in 30 June 2009 financial statements to Mr Meloncelli have since been cancelled.

*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> (A\$)	<u>Share-based awards – Value vested during the year</u> (A\$)	<u>Non-equity incentive plan compensation – Value earned during the year</u> (A\$)
<b>Les Emery</b> Managing Director	81,869	—	—
<b>John Ribbons</b> <sup>(1)</sup> Chief Financial Officer and Company Secretary	—	—	—
<b>Andrew Meloncelli</b> <sup>(2)</sup> Former Chief Financial Officer and Company Secretary	7,570	—	—

Notes:

- (1) DWCorporate began providing services to the Company as Chief Financial Officer and Company Secretary on 30 March 2009. Mr Ribbons is employed and remunerated by DWCorporate.
- (2) Mr Meloncelli ceased providing services to the Company as Chief Financial Officer and Company Secretary on 30 March 2009.



*Narrative discussion*

**Options**

There are currently 10,050,848 outstanding options. The exercise price of these options range from C\$0.19 to A\$0.50 per share. The expiry dates of options granted range from 15 October 2009 to 31 March 2014.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company 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 the nominee) 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.

**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 Meloncelli.

**Termination and Change of Control Benefits**

Marengo has entered into an employment agreement with Mr Emery dated 29 May 2002 (with effect as of 13 November 2003) and amended on 7 September 2006 and 21 August 2009 (the "**Emery Employment Agreement**") pursuant to which Mr Emery is employed as Managing Director of Marengo for a term ending on 1 September 2011. Pursuant to the Emery Employment Agreement, Mr Emery is paid an annual salary of A\$422,850 plus a superannuation contribution of A\$43,650 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.

Under the terms of the Emery Employment Agreement, Mr Emery is entitled to a termination benefit on early termination by the Company, other than for gross misconduct, which includes: (i) any accrued long service leave; and (ii) annual entitlements, superannuation, retiring allowance, superannuation gratuity or similar payment the value of which does not exceed the maximum amount ascertained in accordance with the formula set out in section 200G of the Corporations Act (such amount being the average of the total remuneration paid to Mr Emery over the three years immediately prior to his termination).

Under the terms of the Emery Employment Agreement:

- Marengo may terminate Mr Emery's employment upon the occurrence of certain events including in the event that Mr Emery commits a wilful breach of the terms of the Emery Employment Agreement or is otherwise guilty of any serious misconduct or gross negligence;
- Marengo may terminate the agreement at any time by giving one month's notice, subject to the payment of the amounts described above; and
- Mr Emery may terminate his employment upon providing three months' notice to Marengo.

As at June 30, 2009, Mr Emery had an annual leave benefit totalling \$217,726.

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.

Other than the agreements described above, there are no employment contracts in existence between Marengo or its subsidiaries and any of the Named Executive Officers and there is no arrangement or agreement made between Marengo 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.

## Director Compensation

### *Compensation Table*

The following table sets out all amounts of 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> -	<u>Option-based awards</u> (A\$)	<u>Non-equity incentive plan compensation</u>	<u>Pension value</u>	<u>All other compensation</u> (A\$)	<u>Total</u> (A\$)
John Horan (Chairman)	92,000	-	68,224	-	-	2,915 <sup>(1)</sup>	163,139
Les Emery	538,887 <sup>(3)</sup>	-	81,869	-	43,930	16,339 <sup>(1)(2)</sup>	681,025
Douglas Dunnet	50,000	-	27,290	-	4,500	2,915 <sup>(1)</sup>	84,705
Sir Rabbie Namaliu	55,625	-	54,579	-	-	2,915 <sup>(1)</sup>	113,119
Susanne Sesselmann	59,799	-	27,290	-	-	2,915 <sup>(1)</sup>	90,004
John Hick	56,736	-	27,290	-	-	2,915 <sup>(1)</sup>	86,941
Elizabeth Martin	56,322	-	27,290	-	-	2,915 <sup>(1)</sup>	86,527

Notes:

- (1) Share of directors and officers' liability insurance paid.
- (2) Represents car allowance.
- (3) Includes unused annual leave entitlement of \$217,726.

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 of Director</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 share or units of shares that have not vested</u> (#)	<u>Market or payout value of share-based awards that have not vested</u> (A\$)
<b>John Horan</b> (Chairman)	1,250,000	0.50	15/08/2013	—	—	—
<b>Les Emery</b> Managing Director	1,500,000	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> (A\$)	<u>Share-based awards – Value vested during the year</u> (A\$)	<u>Non-equity incentive plan compensation – Value earned during the year</u> (A\$)
<b>John Horan</b> (Chairman)	68,224	—	—
<b>Les Emery</b> Managing Director	81,869	—	—
Douglas Dunnet	27,290	—	—
Sir Rabbie Namaliu	54,579	—	—
Susanne Sesselmann	27,290	—	—
John Hick	27,290	—	—
Elizabeth Martin	27,290	—	—

### Securities Authorised for Issuance Under Equity Compensation Plans

The following table sets out information in respect of compensation plans under which equity securities of the Company are authorised for issuance as at 30 June 2009.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	3,350,000	\$0.407	10,050,848
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	3,350,000	\$0.407	10,050,848

On 31 July 2008, the Company's shareholders approved the "Marengo Mining Limited Employee Share Option Plan" (the "**Option Plan**") at a general meeting of Shareholders convened on that date. The Company is authorised to grant options to purchase a maximum of 13,400,848 Shares under the Option Plan.

### Statement of Corporate Governance Practices

National Instrument 58-101 of the Canada Securities Administrators – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that the Company disclose in this Management Information Circular its system of corporate governance. NI 58-101 also sets out a series of guidelines for effective corporate governance which address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members.

### Board of Directors

The Board of the Company is currently comprised of seven directors, six of whom (a majority) are independent. Specifically, all of the directors other than Mr Emery are independent within the meaning of NI 58-101. Mr Emery is not independent as he is currently the Managing Director of the Company. The Chair of the Board, Mr Horan, is independent within the meaning of NI 58-101.

Although the Company has only one non-independent director, being the Managing Director, Mr Emery, the Board will regularly excuse management from part of its meetings and meet in non-executive session. A total of 10 Board meetings have been held, none of which excluded members of management.

The attendance record of the Directors at meetings of the Board held since the beginning of the Company's most recently completed financial year was as follows.

<u>Director</u>	<u>Type of Meeting</u>		
	<u>Board of Directors (Non-Independent)</u>	<u>Board of Directors (Independent)</u>	<u>Audit Committee</u>
	Attended/Eligible	Attended/Eligible	Attended/Eligible
John Horan	N/A	10 / 10	5 / 5
Leslie Emery	10 / 10	N/A	N/A
Douglas Dunnet	N/A	9 / 10	5 / 5
Sir Rabbie Namaliu	N/A	10 / 10	N/A
Susanne Sesselmann	N/A	10 / 10	N/A
John Hick	N/A	10 / 10	N/A
Elizabeth Martin	N/A	10 / 10	5 / 5

### **Other Directorships**

The following directors of the Company are directors of other issuers that are reporting issuers or the equivalent in Canada or elsewhere:

<b><u>Director</u></b>	<b><u>Reporting Issuer</u></b>
John Horan .....	Adelaide Resources Limited
Les Emery .....	Nil.
Douglas Dunnet .....	Nil.
Sir Rabbie Namaliu .....	Kina Asset Management Limited
Susanne Sesselmann .....	The Sentient Group Limited, Sentient Executive GP II Limited, Sentient Executive GP III Limited, Sentient Investments GP II Limited, MGH Limited, Metals Recycling Limited, Sentient China Titanium Investments Ltd, Sentient China Silicon Investments Ltd and Meridian Infrastructure Managers.
John Hick .....	Aeroquest International Limited, Carpathian Gold Inc., First Uranium Corporation, Hudson Resources Inc and Timminco Limited.
Elizabeth Martin.....	Aura Minerals Inc. and Manicouagan Minerals Inc.

### **Board Mandate**

The Board is in the process of adopting a written mandate. Generally speaking, the Board is responsible for the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including formulating its strategic direction.

### **Position Descriptions**

The Board has not adopted written position descriptions for the Chairman of the Board on the basis that the role of the Chairman of the Board is well understood by all of the Directors. Similarly, the Board has not adopted a written position description for the Managing Director, Mr Emery, on the basis that his role and responsibilities are well understood by him and by the other Directors. The role of chair of the Audit Committee is set out in its charter.

### **Orientation and Continuing Education**

The Company does not provide a formal orientation or education program for new directors. However, new directors are educated about the nature and operation of the Company's business, current issues, corporate strategy and the role of the Board, its committees and its directors by the current directors and senior officers. The Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

### **Ethical Business Conduct**

The Board has adopted a written code for ethical business conduct, and a copy may be obtained from Mr John Ribbons, Company Secretary, at +61 (08) 9429 0000. The code applies to all employees, officers, directors and consultants. The Board monitors compliance with the code by requiring management to assume responsibility for the conduct of those who report to them. This means ensuring that the code is clearly communicated, leading by example and ensuring controls are established and maintained to prevent or detect breaches. To encourage ethical business practices, with the prior approval of the Chair, each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil his duties and responsibilities as a director.

In addition, the Company is of the view that fiduciary duties placed on individual directors by applicable legislation and restrictions in applicable legislation respecting participation in Board decisions in which an individual director has an interest ensures that the Board operates independently of management and in the best interests of Shareholders.

### **Nomination and Compensation of Directors**

The full Board is currently responsible for all matters related to director recruitment, orientation, compensation and continuing education and evaluations of the Board, its committees and its members including periodically assessing the skills present on the Board, making recommendations as to whether and how those skills ought to, or could be, enhanced, implementing a process for the identification of suitable candidates for appointment to the Board. However, given its size, the Board has not yet adopted a formal process for identifying new candidates for nomination.

### **Compensation**

The Remuneration Committee is comprised of John Hick (Chairman), John Horan and Elizabeth Martin, all of whom are independent in accordance with applicable securities regulations.

The executive director receives a base salary (which is based on factors such as length of service and experience) and superannuation. Executive packages are reviewed annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The executive director receives a superannuation guarantee contribution required by the government, which is currently 9%.

Non executive directors are remunerated at market rates for comparable companies for time, commitment and responsibilities. Remuneration paid to non executive directors is reviewed annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The Remuneration Committee is responsible for, among other things, evaluating the performance of the Company's management in light of the Company's performance and making recommendations to the Board with respect to the compensation level for the Company's management based on this evaluation. The Remuneration Committee reviews compensation annually. Further information regarding the activities and recommendations of the Remuneration Committee is provided above under "Executive Compensation".

### **Other Board Committees**

The Board currently has no standing committees other than the Audit Committee, Remuneration Committee and Safety and Environment Committee.

The information prescribed by Part 5 of MI 52-110 is set out under the heading "Audit Committee" in the Company's Annual Information Form dated 28 September 2009.

The primary objective of the Safety and Environment Committee is to assist the Board discharge its responsibilities, in the following areas:

- ensuring the Company adopts, maintains and applies appropriate safety and environment policies and procedures;
- ensuring that the Company maintains effective safety and environment related internal control and risk management systems; and
- providing a formal forum for communication between the Board and senior management in safety and environment matters, both Company specific and otherwise.

The members of the Safety and Environment Committee are Sir Rabbie Namaliu (Chairman), Mr Emery and Mr Hick.

### **Assessments**

Given the size of the Company, assessments of the Board, its committees and its Directors are carried out periodically on an informal basis. To date, the Board has not found it necessary to institute any formal process in order to satisfy itself that the Board, its committees and its individual Directors are performing effectively.

### **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, no proposed nominee for election as a director of the Company, 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 other than the election of directors.

### **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 has materially affected or would materially affect the Company or any of its subsidiaries in which any informed person of the Company, or any proposed director of the Company or any associate or affiliate of any informed person, or any proposed director of the Company has any material interest (direct or indirect).

### **Auditors**

The auditor of the Company is Stantons International.

### **Additional Information**

The Company will provide to any person, upon request to the Company Secretary, one copy of the Company's 2009 Annual Report which includes the financial statements of the Company for the most recently completed financial year and the audit opinion issued thereon and/or one copy of the Company's MD&A in respect of such financial statements.

Copies of the above document 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 relating to the Company can be found at [www.asx.com.au](http://www.asx.com.au) or at [www.sedar.com](http://www.sedar.com).


### **ENQUIRIES**

Shareholders can contact Mr John Ribbons, Company Secretary, 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**

A handwritten signature in blue ink that reads "John Ribbons". The signature is written in a cursive style with a large loop at the beginning.

**John Ribbons**  
Company Secretary

**Dated: 30 September 2009**