ABN 57 099 496 474

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE QUARTER ENDED JUNE 30, 2009

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("**MD&A**") for Marengo Mining Limited ("**Marengo**" or the "**Company**") should be read in conjunction with the June 30, 2009 audited consolidated financial statements (the "**Year-End Financial Statements**") and related notes thereto (together, the "**Financial Statements**"). This information is presented as of 17 September 2009. The Financial Statements (and the financial information contained in this MD&A) were prepared in accordance with the Australian equivalents of International Financial Reporting Standards ("**IFRS**").

All amounts in this discussion are expressed in Australian dollars unless otherwise indicated.

In this MD&A, references to "Company" are references to Marengo Mining Limited and its wholly-owned subsidiary, Marengo Mining (PNG) Limited.

The Financial Statements and other information about the Company and its business activities are available on SEDAR at www.sedar.com.

1. Overview

Marengo is an international mineral exploration and development company listed on the Australian Securities Exchange (the "**ASX**"), Port Moresby Stock Exchange Limited ("**POMSoX**") (Code: MGO) and the Toronto Stock Exchange (the "**TSX**") (Code: MRN).

The Company's principal asset is the Yandera copper-molybdenum-gold project (the "**Yandera Project**") in Papua New Guinea. The Company is currently focused on advancing the development of the Yandera Project.

The Company also owns a database of exploration and project evaluation activities (including all exploration and drilling data, assay results from 102 diamond holes totaling 33,000 metres, resource estimates and scoping studies) at the Yandera Project between 1970 and 1989.

In September 2006, the Company commissioned a conceptual mining study (the "**CMS**") for the Yandera Project to include a preliminary mine design and open pit optimization, metallurgical testwork, plant flowsheet design and throughput options and capital and operating cost estimates. In July 2007, the CMS was completed and, based on the positive results thereof, the Company determined to proceed with a definitive feasibility study (the "**DFS**") on the development of the Yandera Project.

Phase 1 of the DFS was completed in April 2008 and comprised a comparative development options analysis study and delivered a number of positive results. Phase 2 of the DFS commenced in May 2008 and is ongoing. Phase 2 of the DFS involves metallurgical testwork, mine design, process plant design, tailings and concentrate pipeline design, route selection, geotechnical studies, equipment selection and infrastructure layout. Phase 2 of the DFS also includes identification and consideration of options for project infrastructure, processing facility locations and transportation in order to reduce initial capital costs.

The Company currently has no source of earnings other than interest paid to it on its current cash position. In order to fund its ongoing exploration efforts and operations, Marengo has historically raised funds through the issuance of equity securities.

2. Subsequent Events

Subsequent to the end of the financial year ended June 30, 2009, the Company held a general meeting of shareholders where a resolution was passed allowing the Directors to allot and issue up to 172,500,000 ordinary shares in the capital of the Company each at an issue price of not less than 80% of the average market price of the Company's ordinary shares (calculated over the last five days in which sales of the Company's ordinary shares were recorded before execution of the agency agreement to be entered into in connection with the sale and issue of such shares).

During August 2009 and September 2009 the Company successfully raised C$14.835 million by the issue of 172,500,000 ordinary shares pursuant to a short form prospectus dated August 24, 2009 filed with applicable Canadian securities regulatory authorities (the "Prospectus Offering"), and a further $5.458 million by the issue of 57,452,546 ordinary shares to institutional and sophisticated investors in Australia, by way of private placement (the "Private Placement").

3. Overall Performance

The Company began the financial year ended June 30, 2009 with cash reserves of $23,352,570 and no additional funds were raised during the financial year. Funds expended were used to actively advance the Company's Yandera Project.

During the financial year ended June 30, 2009 the Company incurred exploration expenditures of $16,034,868 (2008: $14,568,942). In accordance with the Company's accounting policies, all exploration expenditures other than acquisition and feasibility costs, were written off as incurred resulting in a write off of $11,927,121 (2008: $11,942,889) during the year. This resulted in an operating loss after income tax for the financial year ended June 30, 2009 of $15,270,043 (2008: $13,758,508).

The Company has a cash balance of $5,088,081 as at June 30, 2009.

Details of the Company's recent exploration and development activities and overall performance are contained in the June 2009 quarterly report released on July 30, 2009 to the ASX and POMSoX, and concurrently filed under the Company's profile at www.sedar.com.

Highlights of the Company's activities for the financial year ended June 30, 2009 are set out below:

- an upgraded Mineral Resource estimate (including initial by-product resource estimate) for the Yandera central porphyry;
- focus of the DFS on mine design, metallurgy and infrastructure, with new development options identified;

- positive results of drilling on the Gremi, Omora, Imbruminda and Mumnogoi zones;

- significant project savings identified by relocating a portion of the processing plant to a coastal location;

- metallurgical sample drilling produced higher grade intercepts, including:

    - 132 metres @ 1.53% CuEq (1.09% Cu)
    - 199 metres @ 1.15% CuEq (0.68% Cu)

- a hydroelectric study identified the potential to produce up to 110 mW of hydro-electric power from locations within the Yandera project area;

- completion of rougher flotation metallurgical testwork; and

- new copper discovery at Kombruku, four kilometres from the Yandera Project central porphyry.

In November 2008, the Company expanded the scope of Phase 2 of the DFS and extended its anticipated completion date from mid-2009 to December 31, 2010 to consider new options for project infrastructure, processing facility locations and transportation.

Work to be completed as part of Phase 2 of the DFS includes consideration of several mine site process plant locations including geotechnical investigation of the initially proposed site and a mineral processing trade-off study to refine the plant layout. It is currently suggested that relocating a portion of the processing plant to a coastal location, thereby separating the process site with comminution located at the mine site and flotation located nearer the coast, may have a positive impact on capital and operating cost estimates for the Yandera Project.

As a result of the expansion in the scope of the DFS, the cost of completing the DFS is currently estimated to be approximately A$12.5 million (approximately C$11.3 million).

The Company also proposes to complete a district exploration program at the Yandera Project in that area where any discoveries could have an impact on the Yandera resource; however, general prospecting work is also planned for the more regional strike extensions to the north-west and south-east. More specifically, areas containing copper mineralization along strike to the south-east of the Yandera central resource (south-east of Mumnogoi) and to the north-east towards the Queen Bee prospect are currently being mapped and the Company believes that the area has excellent potential to generate additional targets for detailed exploration work. If successful, the ground geophysical surveys (mainly induced polarization) and systematic geochemistry being carried out at the Kombruku prospect will be applied to these other prospective areas.

The amount and nature of the exploration expenditures will depend on the progress and results of the exploration program with expenditures being focused on areas with positive results. The initial exploration program will however be financed from the procceds of the Prospectus Offering and Private Placement. Further, to the extent results are generally poor, amounts allocated to exploration may be re-allocated to the DFS.

The primary focus of the Company for the ensuing 12 months is to complete the DFS and the district exploration program focusing on the area surrounding the Yandera central resource.

Marengo will require further capital from external sources to develop any newly discovered mineral deposits and/or, if the DFS is positive, to develop the Yandera Project. Marengo intends to raise any such funds through debt and/or equity financing. There can be no assurance that additional financing will be available at all or on terms acceptable to the Company to develop any newly discovered mineral deposits and to finance the development of the Yandera Project.

In particular, commodity price fluctuations may significantly affect the ability of the Company to fund the development of the Yandera Project and the Company's forecasts and expectations regarding the economic viability of developing its mineral deposit. Fluctuations in commodity prices may also impact the results of operations once mining commences. The monitoring of price movements and trends for the Company's target mineral is essential to understand and monitor the viability of the Company's assets.

Copper prices have historically fluctuated significantly. The closing price of copper as at 11 September 2009 was US$ 2.8275/lb Cu. Between 1993 and 2007, copper prices fluctuated from a low of US$0.65/lb Cu (2001) to a high of US$4.00/lb Cu (2006).

Molybdenum prices have also historically fluctuated significantly. The closing price of molybdenum as at 11 September 2009 was approximately US$16/lb molybdenum oxide. Molybdenum prices were especially volatile during calendar 2005 and 2006 fluctuating between a high of US$40.00/lb and a low of US$22.00/lb molybdenum oxide. Between 1993 and 2007, molybdenum prices fluctuated even more dramatically, from a low of US$5.00/lb molybdenum oxide (1999) to a high of US$50.00/lb molybdenum oxide (2005).

In addition, most of the costs incurred by the Company are denominated in Australian dollars, Canadian dollars and Papua New Guinea kina. Revenue from product sales is expected to be quoted and earned in US dollars. The relative exchange rates of these currencies therefore affect the results of the operations of the Company.

4. Selected Financial Information

The table below sets forth selected financial data relating to the Company's financial years ended June 30, 2009, June 30, 2008 and June 30, 2007. This financial data is derived from the Company's audited consolidated financial statements, which are prepared in accordance with the Australian equivalents of IFRS.

Earnings and Deficit

	Year Ended		
	June 2009	June 2008	June 2007
	$	$	$
REVENUE FROM CONTINUING OPERATIONS	**697,008**	1,163,034	395,914
Other income	**563,977**	213,290	-
EXPENDITURE			
Depreciation expense	**(197,628)**	(80,938)	(46,788)
Salaries and employee benefits expense	**(1,720,958)**	(654,780)	(560,166)
Exploration expenditure	**(11,927,121)**	(11,942,889)	(6,355,390)
Corporate expenditure	**(869,906)**	(948,040)	(316,324)
Occupancy expenditure	**(317,868)**	(85,527)	(73,067)
Insurance expenditure	**(241,516)**	(97,947)	(70,918)
Administration costs	**(897,962)**	(1,033,342)	(279,845)
Share based payment expense	**(358,069)**	-	(10,220)
Other expenses	**-**	(291,369)	(564,614)
LOSS BEFORE INCOME TAX	**(15,270,043)**	(13,758,508)	(7,881,418)
Basic and diluted loss per share (cents)	**(5.7)**	(7.3)	(7.6)
Dividend per share	**-**	-	-

Balance Sheet

Total Assets	**22,326,229**	34,973,168	14,570,807
Total Liabilities	**1,404,229**	2,985,611	571,288
Shareholders' Equity	**20,922,000**	31,987,557	13,999,519

5. <u>Results of Operations</u>

Year ended June 30, 2009 compared to year ended June 30, 2008 and June 30, 2007

Revenue from continuing operations for the year ended June 30, 2009 was $697,008 (2008: $1,163,034, 2007: $395,914) and is comprised primarily of interest revenue. The fluctuations from year to year are a result of the changes in the average level of cash balances held during the respective financial years. The cash balance during 2009 has steadily declined as there were no capital raising activities undertaken during the financial year.

Other income of $563,977 (2008: $213,290, 2007: Nil) is derived from net foreign exchange gains and has increased due to the relative strength of the AUD against the PGK during the year ended June 30, 2009.

Exploration expenditure of $11,927,121 (2008: $11,942,889, 2007: $6,355,390) has been consistent with the prior year. The increase from the 2007 to the 2008 financial years was primarily due to increases in the number of personnel and drill rigs at the Yandera Project.

Salaries and employee benefits expense $1,720,958 (2008: $654,780, 2007: $560,166) has increased primarily due to the additional staff required for, and compliance costs associated with the DFS and the Company's listing on the TSX and initial public offering in Canada.

Share based payments expense for the year ended June 30, 2009 of $358,069 (2008: Nil, 2007: $10,220) resulted from that portion of the value of options issued to Directors and employees that were vesting during the financial year.

Administration, corporate and other expenditure totalled $2,524,880 for the year ended June 30, 2009 (2008: $2,537,163, 2007: $1,351,556), remaining consistent with the 2008 financial year. The increase from the 2007 to the 2008 financial years was primarily due to the additional staff required for, and compliance costs associated with, the Company's listing on the TSX.

Marengo undertakes certain transactions denominated in foreign currencies and, as a result, is subject to volatility in exchange rates. Exchange rate exposure is managed utilising forward foreign exchange contracts. See "*Financial Instruments and Other Instruments*".

Inflation and price changes have not had a material impact on Marengo's revenues and net income or loss.

6. Summary of Quarterly/Half-Yearly Results

The following table sets out the financial results for the Company's most recently completed six quarters (during which it was a reporting issuer for the purposes of Canadian securities laws) and the preceding half-year. The financial data is derived from the Financial Statements.

Summary of Quarterly/Half-Year Results

	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Half-Year
	30 June 2009	31 March 2009	31 December 2008	30 September 2008	30 June 2008	31 March 2008	31 December 2007
				(A$)			
Net loss	(2,357,280)	(3,340,710)	(5,404,237)	(4,167,816)	(5,301,234)	(3,530,166)	(4,927,108)
Basic loss per share (cents)	(0.9)	(1.2)	(2.0)	(1.6)	(2.4)	(1.7)	(3.2)
Diluted loss per share (cents)	(0.9)	(1.2)	(2.0)	(1.6)	(2.4)	(1.7)	(3.2)
Cash and cash equivalents	5,088,081	8,020,072	11,302,932	19,207,764	23,352,570	20,527,867	16,556,956
Total assets	22,326,229	26,103,476	29,335,551	35,292,600	34,973,168	28,217,445	24,426,286
Total long-term financial liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The most significant variation between the quarters referred to above is in the Company's cash and cash equivalents, which reflects the depletion of the funds raised from the Company's initial public offering in April 2008 for the purpose of financing activities at the Yandera Project since that time.

Marengo became a reporting issuer in April 2008. Prior to becoming a reporting issuer in Canada quarterly financial statements had not been prepared by Marengo as they are not required under the *Corporations Act Cth* (Australia). Accordingly, only quarterly results for the most recently completed six quarters have been included herein.

Marengo primarily incurs costs in Australian dollars, Canadian dollars and Papua New Guinea kina and as such is subject to exchange rate risk. During the 2009 financial year, movements in exchange rates were as follows:

	30 June 2008	30 June 2009	High – 1 July 2008 to 30 June 2009	Low – 1 July 2008 to 30 June 2009
AUD / CAD	0.9722	0.9303	0.9833	0.7568
AUD / PGK	2.5477	2.1600	2.6620	1.6092
AUD / USD	0.9615	0.8048	0.9849	0.6005

The depletion of cash reserves and global commodity prices subsequently decreased activity at the Yandera Project during the fourth quarter of the financial year ended June 30, 2009. However, as a result of the Prospectus Offering and Private Placement completed in August and September 2009 the Company secured further funding in order to continue activity at the Yandera Project.

7. Discussion of Cash Flows

		Year Ended	
	30 June 2009	**30 June 2008**	**30 June 2007**
	$	**$**	**$**
Cash flows from:			
Operating activities	**(13,974,597)**	(11,743,800)	(8,006,085)
Investing activities	**(4,373,444)**	(3,533,494)	(3,111,140)
Financing activities	**-**	31,470,377	11,748,500

Cash outflow from operating activities was $13,974,597 (2008: $11,743,800, 2007: $8,006,085) for the year ended June 30, 2009 with the majority of expenditure for all periods being related to mining activities.

Cash outflow from investing activities was $4,373,444 (2008: $3,533,494, 2007: $3,111,140) for the year ended June 30, 2009. During 2009 and 2008 the majority of this expenditure related to the DFS, whilst in 2007 the major component was acquisition of a subsidiary.

Cash inflow from financing activities was nil (2008: $31,470,377, 2007: $11,748,500) with the main component in the prior periods being proceeds from the issue of shares.

8. Discussion of Financial Position

	30 June 2009 $	30 June 2008 $	30 June 2007 $
CURRENT ASSETS			
Cash and cash equivalents	**5,088,081**	23,352,570	7,171,035
Trade and other receivables	**479,986**	828,723	461,688
TOTAL CURRENT ASSETS	**5,568,067**	24,181,293	7,632,723
NON CURRENT ASSETS			
Other financial assets	**425,657**	817,301	-
Plant and equipment	**734,491**	622,054	236,534
Mining properties	**15,598,014**	9,352,520	6,701,550
TOTAL NON CURRENT ASSETS	**16,758,162**	10,791,875	6,938,084
TOTAL ASSETS	**22,326,229**	34,973,168	14,570,807
CURRENT LIABILITIES			
Trade and other payables	**918,643**	2,745,003	417,244
Provisions	**485,586**	240,608	154,044
TOTAL CURRENT LIABILITIES	**1,404,229**	2,985,611	571,288
TOTAL LIABILITIES	**1,404,229**	2,985,611	571,288
EQUITY	**20,922,000**	31,987,557	13,999,519

Cash and Cash Equivalents
Cash and cash equivalents decreased to $5,088,081 at June 30, 2009 (2008: $23,352,570, 2007: $7,171,035) primarily because the Company did not raise funds during the financial year and expended funds in a manner consistent with its business objectives.

Trade and Other Receivables

Trade and other receivables decreased to $479,986 at June 30, 2009 (2008: $828,723, 2007: $461,688) primarily due to a decrease in sundry receivables and prepayments.

Other Financial Assets (refer Section 12 – Transactions with Related Parties)

Other financial assets decreased to $425,657 as at June 30, 2009 as compared to $817,301 as at June 30, 2008 due to the recognition of the fair value of the loan to Mr Les Emery relating to a share purchase facility and the reclassification of a bank guarantee.

Plant and Equipment

Plant and equipment increased to $734,491 at June 30, 2009 (2008: $622,054, 2007: $236,534) due to the purchase of fixed assets in the normal course of business.

Mining Properties

Mining properties increased to $15,598,014 at June 30, 2009 (2008: $9,352,520, 2007: $6,701,550) as a result of the capitalisation of the DFS costs incurred during the financial year and favourable foreign exchange rate movements.

Trade and Other Payables

Trade and other payables decreased to $918,643 at June 30, 2009 (2008: $2,745,003, 2007: $417,244) primarily due to decreased expenditures and timing of payments in respect of the Yandera Project.

Provisions

Provisions increased to $485,586 at June 30, 2009 (2008: $240,608, 2007: $154,044) due to the increased staffing levels and wage increments.

Equity

Equity decreased to $20,922,000 at June 30, 2009 as (2008: $31,987,557, 2007: $13,999,519) due to a loss of $15,270,043 for the financial year, partially offset by an increase in reserves of $4,233,716 primarily due to favourable foreign exchange rate movements.

9. Liquidity and Capital Resources

The Company's principal requirements for cash over the next twelve months will be for the development of the Yandera Project, namely completion of the DFS.

The Company had a cash balance of $5,088,081 at June 30, 2009, and subsequent to the end of the financial year the Company has raised a further C$14.835 million by the issue of 172,500,000 ordinary shares pursuant to the Prospectus Offering, and a further $5.458 million by the issue of 57,452,546 ordinary shares to institutional and sophisticated investors in Australia pursuant to the Private Placement.

The Company's contractual obligations are set out below:

	Payments due by Period				
Contractual Obligations – A$	**Total**	**Less than 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Long term Debt	-	-	-	-	-
Operating Leases	$1,002,253	$915,604	$86,649	-	-
Capital Lease Obligations	-	-	-	-	-
Purchase Obligations	-	-	-	-	-
Total Contractual Obligations	**$1,002,253**	**$915,604**	**$86,649**	**-**	**-**

The Company has implemented a rigorous planning and budgeting process to help determine the funding requirements to support the Company's current operations and expansion and development plans. The Company's objective is to ensure that there are sufficient committed financial resources to meet its short term requirements.

As the date of this MD&A the Company has sufficient cash and cash equivalents to finance its district exploration program and complete Phase 2 of the DFS on the Yandera Project and its general administrative expenses for the ensuing twelve month period.

The Company's ability to continue its operations in the normal course of business after the ensuing twelve months is dependent upon its ability to raise additional debt and/or equity.

In addition, if the DFS is positive, additional funding through a combination of equity and/or debt will be required to finance the development of the project, including construction of plant and other infrastructure, minimum pre-strip and working capital.

The success and pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at the time, the outcome of the DFS or any other relevant feasibility studies and exploration programs. Although the Company has been successful in raising additional funds in the past, there is no assurance that it will be able to do so in the future.

10. <u>Financial Instruments and Other Instruments</u>

The Company is exposed to commodity price risk and foreign exchange risk in the normal course of its business operations.

The Company has not entered into any forward sales or hedging agreements for copper or molybdenum or any other metals. The Company has no current forward currency contracts, although there have been such contracts in place at times during the financial year.

Currency hedges involve risks such as default by the other party, illiquidity and the extent to which the Company's assessment of certain market movements is incorrect and the risk that the use of hedges could result in losses greater than if hedging had not been used.

The risks associated with fluctuations in the price of metals and foreign exchange rates are managed by the Company's management, as determined from time to time, using detailed budgets, forecasts and mine plans, but the Company cannot guarantee the effectiveness of its present or future hedging practices.

The currency hedges are not accounted for as specific hedges and consequently movements in the fair value or mark-to-market position since inception have been reflected in the statement of income (loss).

11. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at June 30, 2009.

12. Transactions with Related Parties

On 11 June 2008, the Company entered into a loan agreement with the Managing Director, Les Emery, to lend $1,000,000 interest free for a 10 year loan term. The purpose of the loan was for Mr Emery to exercise 4,000,000 unlisted options expiring 30 November 2008. This agreement was approved by shareholders at the Company's general meeting on 28 November 2007.

The principal terms of the loan provide as follows:

- If Mr Emery's employment ceases for any reason other than death, permanent disability or removal from office, the loan becomes payable within one month of such cessation. If Mr Emery's employment ceases because of death, permanent disability or removal from office, the loan becomes payable within 6 months of such cessation. The Board retains discretion to extend these time periods;

- Any dividends must be applied to reduce the outstanding loan; and

- The loan is limited recourse. That is, in the event the shares obtained under the loan are sold for an amount less than the amount of the loan, the maximum amount Mr Emery will be required to repay is the amount of the sale proceeds. In this way, Mr Emery is protected against a decline in the Company's share price.

As at June 30, 2009 the loan to Mr Emery is still outstanding.

13. Critical Accounting Estimates

The accounting policies that involve significant management judgement and estimates are discussed in this section. For a complete list of the significant accounting policies, reference should be made to note 1(u) of the Year-End Financial Statements.

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred except for acquisition costs which are carried forward where right of tenure of the area of interest is current and in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, an assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available.

14. Changes in Accounting Policies including Initial Adoption

Recently issued accounting pronouncements and their impact on the Company's accounting policies are disclosed in Note 1(t) to the Year-End Financial Statements.

15. Risk Factors

The Company's risk factors are discussed in detail in the Company's AIF dated September 28, 2009 which is available on SEDAR at www.sedar.com and should be reviewed in conjunction with this document.

16. Outstanding Share Data

As at 17 September 2009, the only class of shares of the Company outstanding is ordinary shares. As at 17 September 2009, the Company had 497,969,521 ordinary shares outstanding and 18,926,915 options to acquire ordinary shares at various exercise prices.

17. Corporate Responsibility for Financial Reports

The Company's Managing Director (MD) and Chief Financial Officer (CFO) are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal control over financial reporting. Access to material information with respect to the Company is facilitated by the small size of the Company's senior management team. The MD and CFO, after evaluating the effectiveness of the Company's disclosure controls and procedures as of June 30, 2009, have concluded that the Company's disclosure controls and procedures were adequate and effective to ensure that (i) material information relating to the Company is made known to them by others particularly during the period covered by this MD&A; (ii) the information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported, within the time periods specified in securities legislation, and (ii) provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in our internal control over financial reporting for the financial year ended June 30, 2009, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

18. Cautionary Note Regarding Forward-Looking Information

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information which reflect management's expectations regarding Marengo's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A, the Company has made numerous assumptions. The assumptions include, among other things, assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) the accuracy of the Company's mineral resource estimate; (iv) the future price of copper and molybdenum; and (v) that the supply and demand for copper, molybdenum, and other metals develop as expected.

Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, among other things, the following: (i) need for additional financing to develop the Yandera Project; (ii) decreases in the price of copper and molybdenum; (iii) exploration risk; (iv) the risk that the Company will not obtain a renewal of exploration licence 1335; (v) dependence on the Yandera Project;; and (v) state equity interest.

This MD&A and the Company's AIF dated September 28, 2009 contain additional information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be as anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of, this MD&A except as may be required by law. All forward-looking information disclosed in this MD&A is qualified by this cautionary statement.

Additional information about the Company and its business activities is available under the Company's profile on SEDAR at www.sedar.com.

19. Scientific and Technical Information

The scientific and technical information contained in this MD&A was prepared by or under the supervision of Peter Dendle. Mr. Dendle is a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Marengo. Mr. Dendle is a "Qualified Person" as defined by National Instrument 43-101 "*Standards of Disclosure for Mineral Projects*" ("**NI 43-101**"). Mr. Dendle verified the data underlying the information in this MD&A prepared by him.

For a description of: (i) the quality assurance program and quality control measures applied during Marengo's work programs; (ii) a summary description of the geology, mineral occurrences and nature of mineralization found; (iii) a summary description of rock types, geological controls and dimensions of mineralized zones at the Yandera Project; and (iv) a summary description of the type of analytical or testing procedures utilized, sample size and the name and location of each analytical or testing laboratory used please refer to the revised and restated technical report on the Yandera Project originally dated December 2008 and revised and restated, January 2009, prepared by Stephen Godfrey, senior resource geologist of Golder Associates Pty Ltd (Australia).