



Marengo Mining Limited







December 2007 Quarterly Activities Report

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Share Code: MGO
Option Code: MG00

KEY POINTS

-  Definitive Feasibility Study for Yandera Copper-Molybdenum Project commences.
-  Diamond drilling at Yandera Central continues to intersect broad zones of Copper and Molybdenum mineralisation, including:
 - 349 metres @ 0.56% CuEq (including 45 metres @ 1.37%Cu)
 - 300 metres @ 0.57% CuEq (including 48 metres @ 1.06%Cu)
 - 263 metres @ 0.42% CuEq (including 21 metres @ 0.97%Cu)
 - 222 metres @ 0.51% CuEq (including 75 metres @ 0.52%Cu)
 - 429 metres @ 0.35% CuEq (including 18 metres @ 0.71%Cu)
[CuEq% = Cu% + (Mo% x 10), Au and Ag are not included]
-  Key appointment of former PNG Mining Minister, Mr Sam Akoitai.
-  Drilling at Yandera Central recommenced, after the Christmas break, on 22 January 2008.
-  Strong cash position of \$16.556 million at the end of the Quarter.
-  Marengo has applied for a listing on the Toronto Stock Exchange.



YANDERA PROJECT, MADANG PROVINCE, PNG (MARENGO MINING LIMITED – 100%)

Definitive Feasibility Study

As reported in the previous quarter, Marengo was awarded a contract to complete a Definitive Feasibility Study (“DFS”) on the Yandera Project, to an alliance of leading Australian based resource engineering and construction company, GRD Minproc Limited, and URS Australia Pty Ltd, the Australian arm of international engineering and environmental group, URS Corporation.

DFS activities commenced during the quarter, with site visits by Marengo’s newly appointed Operations Manager, Mr Grant Calderwood, and various representatives from the DFS engineers. This and subsequent visits will give a good appreciation of the project location, terrain, environmental and cultural interfaces involved.



In addition, a Mineral Processing and Infrastructure Options Workshop was held, with the aim of examining and refining options, as highlighted in the previously completed Conceptual Mining Study. The following components were included in this review:

- Road access to the main site
- Plant locations
- Ore transport
- Concentrate Transport
- Port locations
- Tailings disposal
- Environmental management
- Community affairs management

A number of options have been identified for costing, on a comparative basis (Phase 1), to determine the best options to form the completed DFS (Phase 2).

Also during the quarter, negotiations were conducted for the majority of other subsidiary studies, with these being awarded as follows:

- Mining studies to Golder Associates (Perth)
- Tailings management to Klohn Crippen Berger (Brisbane)
- Environmental management to Coffey Natural Systems (Brisbane)

It is anticipated that a number of short, technically specialised studies are likely to be performed by other organisations, during the course of the DFS, which is scheduled for completion by mid 2009.

The DFS is well on course with Phase 1 completion due at the end of the current quarter. The study management motivation is for diligent technical and commercial performance to confidently assess the project’s feasibility, thus enabling the Yandera Project to become a significant supplier to the world’s copper-molybdenum markets.



Resource Drilling



Diamond Drilling – Gremi Zone

During the quarter 11 holes (YD135 to YD145) were completed for a total drilling advance of 4,278 metres. Drilling for the season was completed by mid December (24 holes for 9,286 metres) with all drilling for the 2007 field season focusing on the Gremi and Omora zones, within the proposed pit area.

The 2008 drilling season recommenced on 22 January 2008, with the three diamond drill rigs from last season, again focusing on the Gremi and Omora zones. Three additional rigs were sourced prior to the end of last year and it is anticipated that these units will be operating on site by mid February. The additional drilling capacity will enable work to also commence on infrastructure site sterilisation and testing of other mineralised targets, identified during the past season. It is expected that access to these additional rigs will enable up to 20,000 metres of drilling to be completed during the current season.

Marengo has been successful in engaging additional staff for this substantial ramp-up of activity at Yandera, as part of the DFS program.

Assay Results

Results for holes YD131 to YD144 have been received to date, with YD131 to YD134 having been drilled in the previous quarter. Only results for a portion of YD145 have been received to date.

YD131 (Omora) 292873E 9363809N -60° @ 030° mag Depth 439.80m

Located on the Omora ridge some 200m west of DDH057. This a speculative hole to test for westerly extensions of Omora mineralisation and also a broad magnetic anomaly. Some mineralisation (mainly chalcopyrite and pyrite) is present in the lower part of the hole.

All assays below 0.25% Cu. No significant Mo, Au, Ag.

YD132 (Gremi) 293163E 9364930N -60° @ 030° mag Depth 347.80m

Located on the site of historic hole DDH099, and targeted at the northern margin of Gremi into the quartz core. There are good Mo values towards the top of the hole.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
39.00	78.00	39.00	0.42	276	0.087	2.5	0.70
222.00	237.00	15.00	0.51	47	0.035	1.2	0.56

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

YD133 (Omora) 293411E 9363966N -60° @ 030° mag Depth 160.70m (abandoned)

Located on the site of historic hole DDH010 and drilled at -60° NE. This hole was abandoned at 160.70m due to drilling problems resulting in lost casing. To achieve the target (extensions of mineralisation located in hole DDH065) another site will be chosen. Only minor mineralisation is present to 75m.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
24.00	75.00	51.00	0.33	8	0.019	2.65	0.33

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

YD134 (Gremi) 293533E 9364731N -60° @ 030° mag Depth 366.60m

Located on the lower (SE) part of Gremi Hill and orientated at -60° NE towards the quartz core. Mineralisation was intersected to nearly 300m and the hole contains increasing quartz veining towards the bottom.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
99.00	117.00	18.00	0.32	156	0.14	1.15	0.48
210.00	243.00	33.00	0.40	51	0.03	1.51	0.45
258.00	294.00	36.00	0.62	31	0.08	1.32	0.65

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

YD135 (Omora) 293268E 9364208N -60° @ 230° mag Depth 351.50m

Located to test continuity of the good mineralisation to the NW of YD127. The hole was terminated in mineralisation at 351.50m due to drilling difficulties. Mineralisation is noted from 69m in heterolithic breccias and continues to the end of the hole. Good mineralisation from 108m to 153m is within these breccias and comprises mainly chalcopyrite however bornite is present below 135m. The best intersection is 45m from 108m to 153m averaging 1.51% Cu equivalent. Individual 3m samples returned values of up to 5.1% Cu, 316ppm Mo, 0.69g/t Au, and 16.4g/t Ag.

Elevated gold values are present below 249m and confirm this area of Omora as having gold potential. To date no specific structure or porphyry event has been identified as carrying the gold mineralisation and the intersection is being relogged in detail.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
3.00	351.50	348.50	0.49	71	0.090	2.78	0.56
This total hole intersection above includes the following intercepts:							
3.00	78.00	75.00	0.15	41	0.035	1.82	0.19
78.00	108.00	30.00	0.43	162	0.056	4.57	0.59
108.00	153.00	45.00	1.37	134	0.080	4.42	1.51
153.00	273.00	120.00	0.46	70	0.062	2.84	0.53
273.00	351.50	78.50	0.37	31	0.205	1.98	0.40

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

YD136 (Gremi) 293403E 9364765N -60° @ 230° mag Depth 374.80m

This hole tested the lower SE part of Gremi.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
The total hole from 18m returned the following intersection:							
18.00	374.80	356.80	0.24	107	0.05	0.84	0.34
Excluding a very low grade zone from 18m to 111m the hole averaged :							
111.00	374.80	263.80	0.28	137	0.06	0.74	0.42
Within the above are the following higher grade intercepts:							
111.00	126.00	15.00	0.51	185	0.04	2.30	0.67
141.00	165.00	24.00	0.30	168	0.10	1.40	0.47
237.00	258.00	21.00	0.97	105	0.08	2.44	1.07
321.00	374.80	53.80	0.26	287	0.05	0.74	0.55

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

YD137 (Omora) 293546E 9365479 -60° @ 60° mag Depth 359.90m

Drilled from the site of YD120, and is sited to test for mineralisation to the NE of YD123 and along strike to the east from holes YD135, YD121 and DDH053.

Mainly granodiorite from surface to 270m and quartz diorite porphyry from 270m to the end of the hole. Weak Cu occurrences throughout the hole, starting from 60m to the end of the hole.

YD138 (Gremi) 293207E 9364824N -60° @ 210° mag Depth 382.20m

Located on the site of historical hole DDH27 but drilled to the SW into an untested area. Granodiorite and diorite porphyry are the dominant lithologies and several intrusive breccias are present. Good mineralisation is present to 303m mainly as chalcopyrite and bornite but with some chalcocite in the 45m to 93m zone and chrysocolla in the oxide zone above 27m. The zone of elevated gold values between 45m and 93m with values up to 1.53g/t Au may be part of a remnant supergene zone.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
The total hole from 3m averages							
3.00	303.00	300.00	0.48	92	0.09	2.13	0.57
This includes the following higher grade intercepts:							
45.00	93.00	48.00	1.06	197	0.32	4.21	1.26
279.00	291.00	12.00	1.93	24	0.10	5.75	1.93

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

YD139 (Gremi) 293403E 9364765N -60° @ 30° mag Depth 394.70m

Drilled from the site of historical hole DDH08 but drilled NE towards the quartz core. Diorite porphyry is the main rock type throughout the hole. Chalcopyrite / bornite mineralisation occurs at several intervals from 60m to 225m. Below 225m Cu/Mo mineralisation is sparse and there is an increase in quartz veining typical of the quartz core. Of note are the elevated gold values between 81m and 156m with zone of consistently elevated values (max 0.69g/t) from 105m to 156m.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
3.00	225.00	222.00	0.41	103	0.12	1.75	0.51
Included is the following higher grade intercept:							
81.00	156.00	75.00	0.52	233	0.22	1.84	0.75
Gold values (max 0.69g/t) are slightly elevated between 105m and 156m:							
105.00	156.00	51.00	0.58	285	0.27	1.94	0.86

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

YD140 (Gremi) Site of DDH024. -60° @ 210° mag Depth 375.90m

Drilled towards the south-east from the spine of Gremi ridge. Oxidation is intense to 36m and a broad mixed zone of reducing oxidation (mainly on fractures) occurs to 129m. Slightly elevated gold values of up to 0.256g/t are present in the oxide zone. A good Cu intersection from 321m to 342m is mainly associated with high angle veins with chalcopyrite.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
0.00	342.00*	342.00	0.28	22	0.04	1.80	0.30
The above broad intersection includes the following intercepts:							
0.00	36.00	36.00	0.35	14	0.12	3.47	0.35
36.00	72.00	36.00	0.48	15	0.05	4.19	0.48
321.00	342.00*	21.00	0.98	63	0.05	3.76	1.04

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

Note: * end of hole

YD141 (Gremi) Proposed hole YDP020 at site of DDH049. -60° @ 30° mag Depth 431.7m

From the site of historical hole DDH49 and drilled to the NE to test for NW extensions of the Gremi mineralisation.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
3.00	431.70	428.70*	0.23	126	0.09	1.36	0.35
The above broad intersection includes the following intercepts:							
117.00	141.00	24.00	0.30	128	0.08	1.88	0.43
201.00	219.00	18.00	0.35	99	0.12	2.32	0.45
263.00	326.00	63.00	0.46	273	0.20	2.29	0.74
371.00	389.00	18.00	0.71	400	0.24	3.78	1.11

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

Note: * end of hole

The mineralisation intersected was not expected and will require follow up drilling to the NW. Results for the NW extensions of Gremi will require further detailed geological interpretation and relogging of nearby holes.

YD142 (Omora) 293242E 9364295N -60° @ 175° mag Depth 395m

Drilled south to intersect mineralisation below previous holes DDH053, YD127, and YD135. Includes a 12m intersection from 186m of 1.10% Cu, 267ppm Mo.

From	To	Width	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
24.00	279.00	255.00	0.27	80	0.03	1.92	0.35
The above broad intersection includes the following intercepts:							
24.00	36.00	12	0.23	116	0.03	8.80	0.35
141.00	168.00	27.00	0.32	127	0.04	1.59	0.45
186.00	198.00	12.00	1.10	267	0.06	3.62	1.37

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

YD143. (Gremi) 293624E 9364676N -60° @ 030° magnetic Depth 401m

Drilled 100m SE of YD134. The hole was drilled to test the extensions of mineralisation intersected in YD134.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
39	51	12	0.27	92	0.03	0.82	0.36
72	93	21	0.25	26	0.05	1.10	0.28
114	150	36	0.11	149	0.03	0.65	0.26
168	180	12	0.26	77	0.05	1.25	0.34
384	399	15	0.33	29	0.05	0.80	0.36

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

YD144. (Gremi) 292621.27E 9364894.21N -60° @ 030° magnetic depth 393.60m

This hole was drilled 100m south of YD141 to test mineralisation in intrusive breccia intersected in hole YD141.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
96	105	9	0.38	7	0.03	2.4	0.39
192	210	18	0.11	155	0.02	0.6	0.26
234	258	24	0.17	123	0.04	1.36	0.28
372	384	12	0.28	122	0.08	1.02	0.40

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

YD145. (Gremi) Vertical hole on 293624E 9364676N (same location as YD143) Depth 417.10m

The hole was testing the easterly extension of the Gremi mineralisation. Only results for the upper portion of the hole (0-210m) are available at this time, however these include encouraging Cu values for interval between 120m to 165m with Cu averaging 0.41% including a 22m Mo averaging 183.ppm

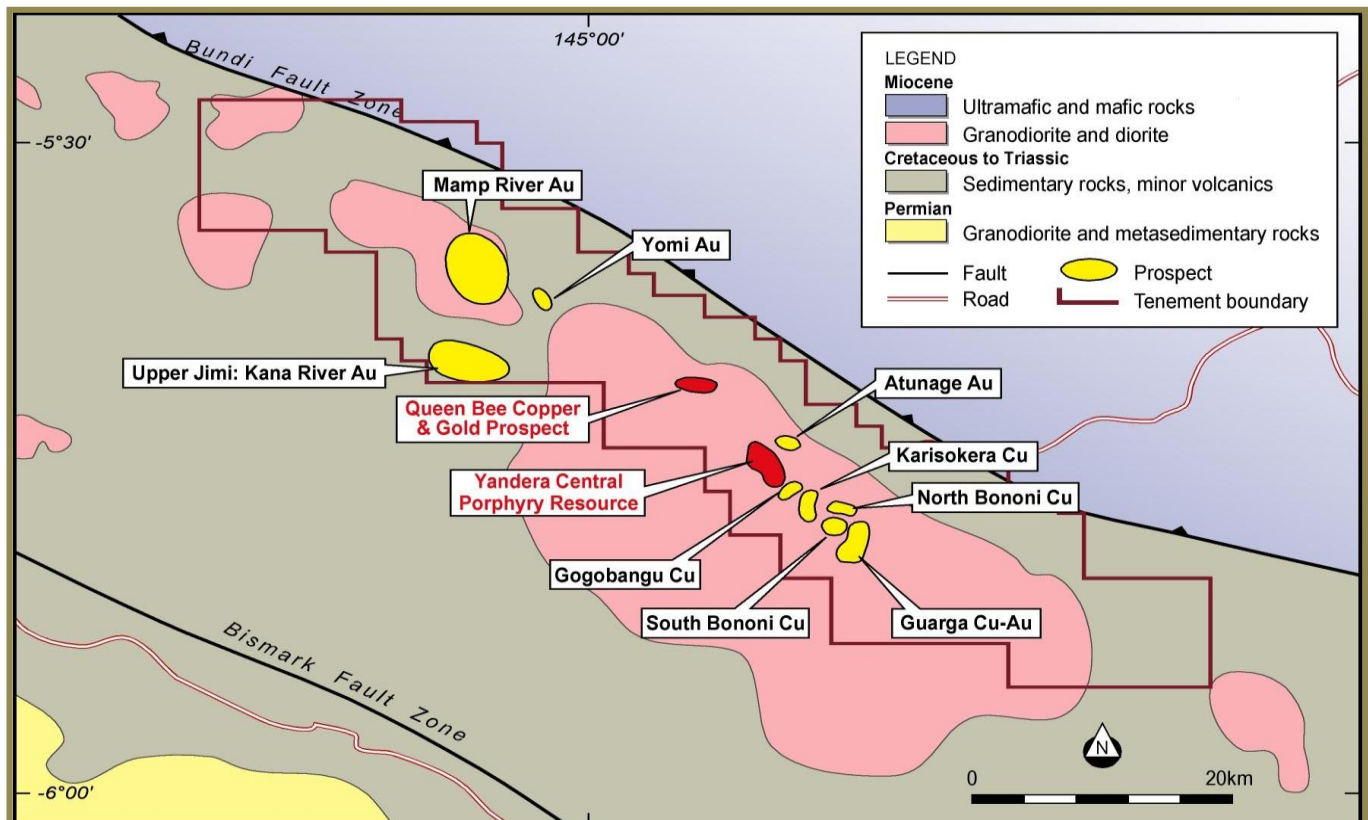
From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au ppm	Ag ppm	CuEq %
120	192	72	0.41	102	0.04	1.0	0.51
The above broad zone include the following intercepts							
120	135	15	0.45	65	0.05	1.10	0.51
138	165	27	0.50	145	0.03	1.00	0.64
174	192	14	0.45	81	0.04	1.2	0.53

CuEq% = Cu% + (Mo% x10). Au and Ag values are not included in Cu Eq

Regional Reconnaissance

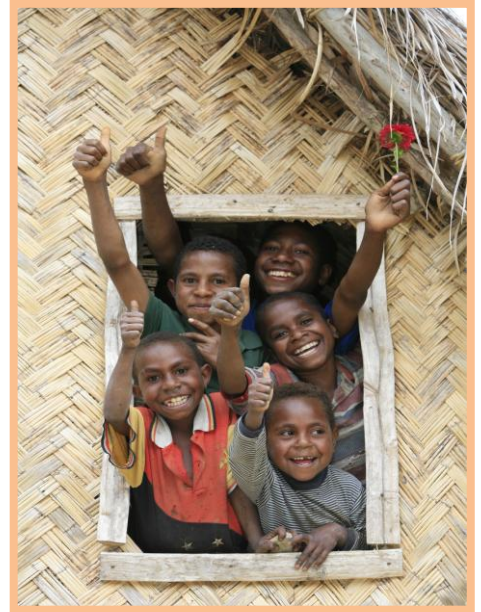
As previously reported, rock chip and float samples from satellite prospects within the Yandera project area have produced significant base metal assays (some with associated gold and silver values) including:

- **9.89% copper**
- **9.75% zinc**
- **0.16% lead**
- **13.7% molybdenum**
- **118 g/t silver**
- **2.55 g/t gold**



Significant results have now been encountered from the Queen Bee Prospect, to the north-west of Yandera Central to the Gogobangu-Karisokera / Bononi Prospects, to the south-east.

A further reconnaissance stream sediment sampling and prospecting programme was completed in the area to the NW of Yandera towards Queen Bee. Results have not yet been received, however this work will continue in February with the commencement of geological mapping and further stream sediment sampling (weather permitting), prior to drill testing of the most prospective targets during the current field season.



BOWGAN PROJECT, NORTHERN TERRITORY (MARENGO MINING LIMITED DILUTING TO 25%)

Marengo entered into a joint venture agreement with Hindmarsh Resources Limited (now a subsidiary of Mega Uranium Ltd), whereby Hindmarsh will be entitled to earn a 51% interest in the project, by spending \$200,000 on exploration within 3 years.

Hindmarsh have reported that the geochemical sampling, which was due to be carried out over geophysical targets previously defined during December, was yet to commence due to unfavourable ground conditions.

Senior Appointment

During the quarter the Company announced the appointment of Mr Sam Akoitai to the board of its Papua New Guinea (“PNG”) operating subsidiary, Marengo Mining (PNG) Limited, the holding company of its 100% owned Yandera Copper-Molybdenum Project.

Mr Akoitai was a member of the national parliament of PNG from 1997 until mid 2007, serving firstly as Minister for Bougainville Affairs (1997-2000) and subsequently as Minister for Mining from 2002 until the August 2007. He also implemented the establishment of PNG’s Mineral Resources Authority, the statutory authority which now regulates the mining industry in the country.

Mr Akoitai’s exposure to the PNG mining industry, during his parliamentary career and previously through his employment with Bougainville Copper Limited will contribute greatly to the project during the current DFS and through into development.



TSX Prospectus Lodged

The Company has applied for listing of its ordinary shares on the Toronto Stock Exchange (the “TSX”).

A preliminary prospectus with respect to a public offering of fully paid ordinary shares in the capital of the company was filed in certain provinces of Canada (the “Offering”). The preliminary prospectus is available on SEDAR at www.sedar.com and the Company’s website at www.marengominig.com. The terms and pricing of the Offering will be determined prior to the filing of the final prospectus.

The Offering will be led by Paradigm Capital Inc. of Toronto, with a syndicate of agents including Fraser Mackenzie Limited, and Jennings Capital Inc. (collectively, the “Agents”). The agents have been granted an option, exercisable in whole or in part for 30 days following the closing of the offering, to offer for sale additional shares equal to up to 15% of the shares sold in the Offering.

A shareholder meeting held on 28 November 2007 approved amongst other things, a share placement facility of up to 103,500,000 ordinary shares in the Company, to be allotted pursuant to the Offering.

The Company intends to use the net proceeds of the Offering to complete the definitive feasibility study on its Yandera Copper-Molybdenum Project in Papua New Guinea, for working capital purposes, and for the purchase of long lead-time items.

The TSX is the largest stock exchange in the world for trading mineral resource securities and the Marengo Board believes that a Canadian listing will expose the Company to North American capital markets, which have a history of supporting and financing mining projects. This is supported by the fact that many of the Company’s industry peers are currently listed on the TSX.

Shareholder Meetings

The Annual General Meeting of Shareholders was held on 8 November 2007, with all resolutions being passed.

A further general meeting of Shareholders was held on 28 November 2007 (refer TSX Prospectus Lodged), with all resolutions being passed.

Option Expiry

The Company’s listed options (ASX Code: MGOO) expire at 5.00pm (WDST) on 28 February 2008.

Option holdings may be exercised in whole or in part by payment of 20 cents for each option no later than 28 February 2008. If payment is not received by 5.00pm (WDST) on 28 February 2008 the options will lapse and all rights under the options will cease at that time.

ASX quotation of these options (MGOO) will cease at the close of trading on 21 February 2008.

Cash Reserves

The company maintains a strong cash position with cash reserves of \$16.556 million at quarter end.

Online Share Registry

Australian Shareholders can access their share details at Security Transfer Registrar's website at www.securitytransfer.com.au



CORPORATE DIRECTORY

BOARD OF DIRECTORS

John Horan Chairman
Les Emery Managing Director
(Email: lese@marengominig.com)
Dennis Wilkins Finance Director
Doug Dunnet Non-Executive Director

COMPANY SECRETARY

Dennis Wilkins

MANAGEMENT TEAM

Peter Dendle – Project Manager – Yandera
(Email: peterd@marengominig.com)
Grant Calderwood – Operations Manager
(Email: grantc@marengominig.com)
Andrew Meloncelli – Manager Finance & Treasury
(Email: andrewm@marengominig.com)
Malcolm Roberts – Principal Geologist
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Fiona Hardouin-Riddle – Office Administrator
(Email: fionahr@marengominig.com)
Johan Smit – Principal Consulting Geologist
(Email: marengo@marengominig.com)

SUBSIDIARY (PAPUA NEW GUINEA)

Marengo Mining (PNG) Limited – 100%

MAJOR SHAREHOLDERS

Current major shareholders are:

Sentient Global Resources Fund II	21.24%
ANZ Nominees Limited	6.93%
Merrill Lynch Australia	5.60%
RBC Dexia Investor Service	5.52%

REGISTERED OFFICE

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Email: marengo@marengominig.com

ISSUED SHARE CAPITAL (AS AT TODAY'S DATE)

Fully Paid Shares: 171,094,513
(ASX Code: MGO)
Listed Options (20 cents expiring 28/02/08):
45,835,447
(ASX Code: MGOO)
Unlisted Options (20-30 cents expiring 30/11/08)
14,300,000
(ASX Code: MGOAQ)
Unlisted Options (30 cents expiring 30/11/08)
500,000
(ASX Code: MGOAQ)
Unlisted Options (20-30 cents expiring various dates):
500,000
(ASX Code: MGOAS)
Unlisted Options (36 cents expiring 15/02/09):
993,055
(ASX Code: MGOAS)

SHARE REGISTRY (Australia)

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(PO Box 535, APPLECROSS WA 6953)

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Les Emery
Managing Director

31 January 2008

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Certain statements in this release contain forward-looking information. These statements include, but are not limited to, statements with respect to future exploration, development, production and costs. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the results of future exploration, risks inherent in resource estimates, increases in various capital costs, availability of financing and the acquisition of additional licences, permits and surface rights.

Sections of this report were prepared by Mr Peter Dendle who is a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Marengo Mining Limited. Mr Dendle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). Mr Dendle consents in writing to the issue of this report, to the extent of matters based on his information in the form and context in which it appears.