



**Kombruku Prospect – Yandera
Copper – Molybdenum – Gold Project**

Marengo Mining Limited

June 2009 Quarterly Activities Report

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www.marengomining.com

**ASX/POMSoX Share Code: MGO
TSX Share Code: MRN**

HIGHLIGHTS

YANDERA COPPER-MOLYBDENUM PROJECT

Exploration

- ☛ Site activity at Kombruku advances with commencement of geophysical program.
- ☛ Drill testing at Kombruku expected to commence in September 2009.
- ☛ District exploration identifies other targets within the Yandera project area.

Definitive Feasibility Study

- ☛ Metallurgical test work produces a high quality, low impurity copper sulphide concentrate

CORPORATE

- ☛ Cash balance at quarter end of A\$5.09M (C\$4.7M).
- ☛ Canadian Preliminary Short Form Prospectus lodged since the end of the quarter.



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ABOUT MARENGO MINING

Marengo Mining Limited is an Australian-based metals company focused on the development of its 100%-owned Yandera Copper-Molybdenum-Gold Project in Papua New Guinea (PNG).

With its headquarters in Perth, Western Australia, Marengo listed on the Australian Securities Exchange on November 13, 2003 and subsequently on Papua New Guinea's POMSx on November 10, 2006. Marengo reinforced its global development strategy with the successful completion of a listing on the Toronto Stock Exchange in April 2008.

In 2007 and 2008, Marengo successfully raised A\$46 million, underpinning the current Definitive Feasibility Study on the Yandera Project.

For current resource estimates for the Yandera Project refer to the Company's website (www.marengomining.com)



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

Exploration

Kombruku Prospect

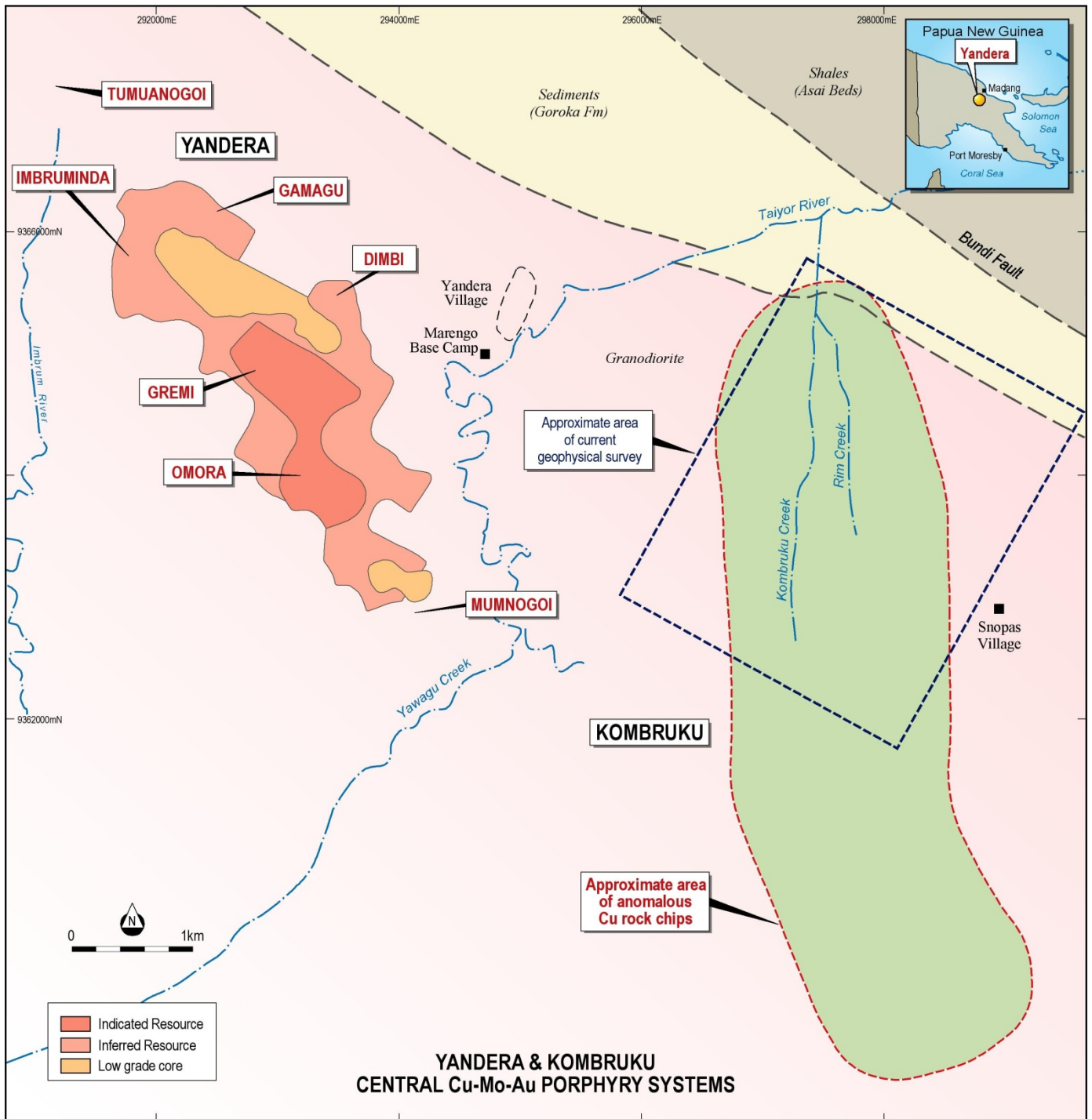
As previously announced, during the past quarter the Company made a discovery of an extensive zone of copper mineralisation at the Kombruku Prospect, approximately 4km from the Yandera Central deposit and within the Company's extensive 1,900 km² landholding.

Encompassing a large area, the Kombruku Prospect contains copper mineralisation with some outcropping samples containing high concentrations of copper sulphides and oxides. To date, a total of 122 rock chip samples have been collected and tested. Of these, 32 samples have returned copper readings between 0.1% and 36.9% and two samples were submitted for fire assay for gold with results of 0.55 and 0.08 g/t.

The estimate for copper for rock chip samples is based on an average of multiple readings on pulped rock samples using a Niton XLt3 portable XRF analyser. Although Marengo believes that the data is indicative of grade, these results are not formal assays and only general indications of copper grades.

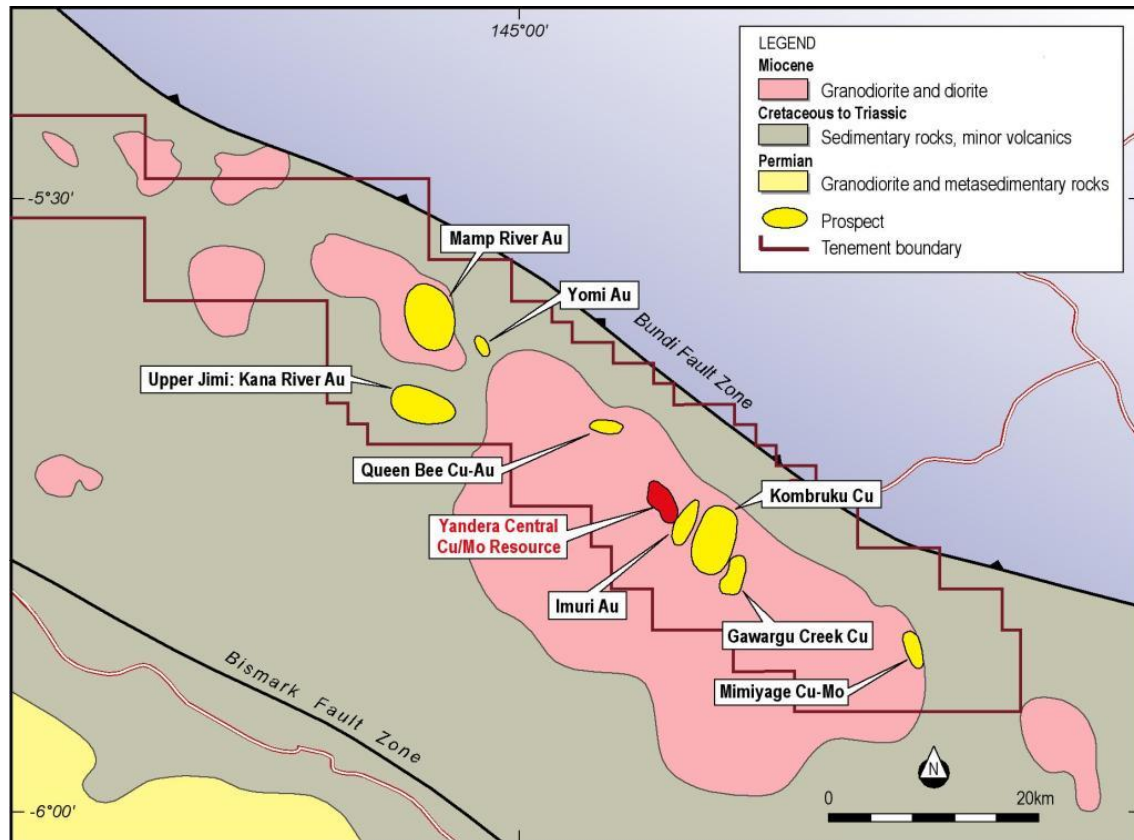
It is currently believed that the Kombruku Prospect covers an area of approximately eight square kilometres and is less than four kilometres from the Yandera central porphyry deposit. The following plan indicates the location of the Kombruku prospect, relative to the Yandera central resource.





During the quarter a geophysical Induced Polarisation (IP) survey was commenced, over the northern portion of the prospect, to aid geological interpretation and target generation in this heavily forested area. The style of mineralisation encountered so far during the mapping is ideally suited for this exploration tool, and the high-grade vein sets encountered have the potential to point to a mineralised source underlying the Kombruku area.

Cutting of the initial baseline commenced during May with cross-lines at 100 m intervals. The IP survey contractors arrived on site during the final week of June and commenced the program shortly thereafter. Results of this work will be utilized in the planning of an initial diamond drilling program, anticipated to commence in September 2009. In addition, further grab samples and stream sediment samples have been collected from the Kombruku area, and these will be utilized in target identification. A soil geochemical survey is also scheduled to commence during August.



It is believed that the work undertaken by Marengo on the Kombruku Prospect is the first in that location, since exploration commenced in the Yandera region in the late 1960's.

Although exploration at Kombruku is at an early stage, due to its proximity to the Yandera central resource any high grade mineralisation is expected to have a significant impact on the Yandera resource base and the current Definitive Feasibility Study (DFS).

Other Prospects

The district mapping program has also continued in other areas of the Yandera project area. A limited mapping program in support of the Mumnogoi program of 2008 was completed. This mapping identified additional areas of mineralisation, to the west of Mumnogoi, which were not previously located.

A team of geologists, supported by local field assistants, were also active in the Dirigi area, to the south east of Mumnogoi and adjacent to Kombruku. This area encompasses a number of prospective magnetic highs, as well as a major north-south orientated structure, known to the north as the Imuri gold prospect.

Mapping commenced in the eastern sector of this area, in late April and was nearing completion at the end of the quarter. To date, 71 stream sediment and 52 grab samples have been collected. An area of mineralised granodiorite breccia was identified in the headwaters of the Taiyor River, and after completion of this initial phase the field crew will return to that area for more detailed mapping, and sampling.

Definitive Feasibility Study

During the quarter a number of components of the Definitive Feasibility Study (DFS) were either advanced or commenced.

Metallurgical test work to produce a combined copper and molybdenum concentrate was completed during the quarter and analyses confirmed the Yandera sulphide concentrate to be very low in impurities, which is expected to have a positive effect on smelter revenues. Further test work is expected to be conducted during the current quarter, aimed at separating this concentrate into two products, of a copper and molybdenum sulphide concentrates.

The comminution study was commenced during the quarter with initial work on High Pressure Grinding Roll (HPGR) testing indicating that the Yandera material crushes well under this process.

This work was initiated to examine options other than a conventional SAG and ball mill circuit, as part of the Company's drive for continuous improvement during the DFS. High Pressure Grinding Roll (HPGR) test work was completed and is delivering favourable results. Lump product from the HPGR was generally crushable by hand indicating that it could subsequently report directly to the ball mills. Five comminution arrangements have been identified as suitable for processing of Yandera ore and these will undergo an optimisation process by assessing capital, construction and operational cost, and requirements.

A number of preferred concentrator plant sites have been identified south of Madang, in close proximity to the sealed Ramu Highway and high tension power transmission lines. Further examinations will be conducted during the current dry season to narrow the site options.

A first pass access road alignment route design was completed late in the quarter and was dispatched to Marengo's Community Affairs department for review and comment regarding community aspects of its possible implementation. Community awareness presentations were conducted at the main villages along the route and these received overwhelming support for it passing through their lands and villages.

All airborne survey (LiDAR) data for the mine environs and coastal areas was successfully processed and ground referenced during the quarter. This has delivered more accurate digital terrain models, for Company and consultant use, and has proven to be of high value. Discussions are underway for an additional LiDAR survey to be flown during the 2009 dry season. This is highlighting areas of interest such as the newly identified Kombruku prospect, a road route segment in the Ramu Valley and sites near the coast south of Madang.

Laboratory analyses indicated the possibility of extracting a further by-product of magnetite (fines) concentrate. The preliminary study has determined that 195,000 tonnes of concentrate could be produced annually, with an average grade of 67% Fe. It has been decided to include the magnetite processing option within the DFS.

During the quarter, numerous meetings were held with various government representatives and departments, land owners, NGO's, contractors and current and potential suppliers.



Community Relations

Marengo takes pride in its approach to community relations and at all times is sensitive to the needs of all stakeholders as it moves forward with the development of the Yandera Project.

During the quarter a number of initiatives were advanced, including further progress being made with the draft of the Yandera Project Landowner Association (LOA) constitution. This document is very important to the future progress of the project, as it will set up the landowner body charged with representing landowners and the wider community in all dealings with Marengo and with the Government.

The various clans, who will be parties to the constitution, confirmed their acceptance of the draft document and it has now been passed to the government officers for finalisation. It is a major step forward for Marengo to have achieved this milestone, so early in the Yandera Project's development timeline and is further confirmation of the excellent relationship and trust that has been built up by the parties, since the Company commenced activities at Yandera in 2005.

An independent anthropologist visited site to undertake a further round of village census, within the Yandera project area. This work will be of great assistance as Marengo advances the project and coupled with reports on the social impacts on the local community, will provide an effective database to ensure that all parties are treated fairly.



OTHER PROJECTS

BOWGAN PROJECT, Northern Territory (Australia) (Marengo Mining Limited, 49% diluting to 25%)

Marengo previously farmed out its Bowgan Project to a subsidiary of Mega Uranium Ltd ("Mega"). After earning a 51% interest in the project Mega has elected to sole fund an additional A\$400,000, to earn up to a 75% interest in the project.

Cash Reserves

At the end of the quarter the Company had cash at bank of A\$5.09M (C\$4.7M).

Canadian Preliminary Short Form Prospectus Filed

Subsequent to the end of the quarter the Company announced that it had filed and received a receipt for a preliminary short form prospectus with the securities regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia, in connection with a best efforts offering of ordinary shares of the Company (the "Offering").

The Company intends to use the net proceeds from the Offering to finance its district exploration program at the Yandera Project, the DFS and for general working capital purposes.

The Offering is being led by Paradigm Capital Inc, with a syndicate comprising Canaccord Capital Corporation. Final pricing and determination of the number of ordinary shares to be sold pursuant to the Offering will be determined in the context of the market immediately prior to the filing of the final short form prospectus in respect of the Offering.

As soon as practicable after closing of the Offering, the Company also proposes to complete a private placement of ordinary shares, outside of Canada, principally in Australia, at the Australian dollar equivalent of the price of the ordinary shares issued under the Offering.

Completion of the Offering is subject to receipt of shareholder approval (which approval was given at a meeting of shareholders on 30 July 2009) to the issuance of the ordinary shares under the Offering, in accordance with the applicable listing rules of the Australian Securities Exchange, the approval of the Toronto Stock Exchange and applicable securities regulatory authorities



Les Emery
Managing Director
30 July 2009

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NOTES

Certain statements in this report contain forward-looking information. 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. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward looking statements in light of the risks set forth in the company's continuous disclosure filings as found at www.sedar.com

Scientific and technical information in this report including that relating to drilling intercepts and mineralisation but excluding the Yandera resource estimate were prepared by Mr Peter Dendle. Mr Dendle 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 is also a "Qualified Person" as defined by National Instrument 43-1-1 "*Standards of Disclosure for Mineral Projects*" ("NI 43-101") Mr Dendle verified the data underlying the information in this report prepared by him.

Except to the extent not set out herein, for a (i) summary description of rock types, geological controls and dimensions of mineralised zones, and the identification of any significantly higher grade intervals within a lower grade intersection; (ii) a summary of the relevant analytical values, widths and, to the extent known, the true widths of the mineralised zones; (iii) a summary description of the geology, mineral occurrences and nature of the mineralisation found; and (iv) a summary description of the type of analytical or testing procedures utilized, sampled, sample size, the name and location of each analytical or testing laboratory used and any relationship of the laboratory to the issuer please refer to the Company's technical report filed on SEDAR and dated November 9, 2007. There is no drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to below.

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.

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MGO

TSX CODE

MRN

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