



Ceremonial Dancers at Yandera

Marengo Mining Limited

June 2010 Quarterly Activities Report

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

HIGHLIGHTS

YANDERA COPPER-MOLYBDENUM-GOLD PROJECT

Exploration / Resource Drilling

- ☺ Results from first hole of deep drilling program (YD 273) intersects 981 metres of copper – molybdenum mineralization.
- ☺ First deep hole finished in a high-grade zone of 29.7 metres @ 0.49% Cu and 699ppm molybdenum (1.19% CuEq).
- ☺ Second deep hole in progress, disseminated copper sulphide (Bornite) mineralization intersected.
- ☺ A resource drill hole (YD 278) intersects massive copper mineralization near base of hole.

Definitive Feasibility Study (DFS)

- ☺ DFS on track for completion in December 2010.
- ☺ Contractor appointed to undertake bulk sample adit and mobilization of equipment to site commences.
- ☺ Hydroelectric study team onsite to commence activities

Corporate

- ☺ Canadian offering priced since the end of the quarter, to raise up to A\$21.6M (C\$20.2M).
- ☺ Cash balance at quarter end of A\$6.9M (C\$6.5M).



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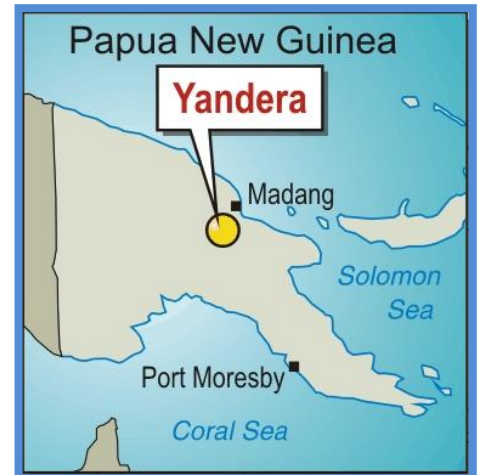
ABOUT MARENGO MINING

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.

Since 2007 Marengo has successfully raised A\$68 million, underpinning the current Definitive Feasibility Study and exploration programs, 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

Drilling

During the quarter four diamond drill rigs were fully utilized drilling geotechnical, resource delineation and extension holes. In addition, a fifth larger capacity rig continued to drill deeper holes, beneath the known mineralization, at Imbruminda (completed at 984 metres) and at Gremi (currently at 800 metres).

The results confirm that the large porphyry copper-molybdenum systems at the Yandera Project extend for considerable depths below the current, previously reported resource boundaries.

Diamond drilling for the quarter totaled 7,605 metres.

Marengo expects the current deep diamond drilling program to enable some of this material to be included in the Company's JORC compliant copper-molybdenum resource inventory, which will form the basis for the Definitive Feasibility Study (DFS) on the Yandera Project due for completion at the end of this year.

Imbruminda Zone – Deep Drilling

The results for the deep vertical hole YD273 – which intersected **widespread copper and molybdenum mineralization** from near-surface through **to the end of the hole** at 983.70 metres – are summarised below (see *long section in Figure 3 attached*):

YD 273 (Imbruminda) - Vertical, depth 983.70m

| From (m) | To (m) | Thickness m | Cu% | Mo ppm | Au g/t | Ag g/t | CuEq% |
|-------------------------------------|---------------|---------------|-------------|------------|-------------|-------------|-------------|
| 3.00 | 983.70 | 980.70 | 0.23 | 152 | 0.07 | 1.73 | 0.38 |
| Including the following intercepts: | | | | | | | |
| 312.00 | 519.00 | 207.00 | 0.51 | 118 | 0.15 | 2.41 | 0.63 |
| 312.00 | 426.00 | 114.00 | 0.40 | 80 | 0.10 | 2.05 | 0.48 |
| 426.00 | 519.00 | 93.00 | 0.65 | 165 | 0.20 | 2.85 | 0.82 |
| 732.00 | 855.00 | 123.00 | 0.20 | 541 | 0.11 | 1.69 | 0.74 |
| 732.00 | 804.00 | 72.00 | 0.23 | 734 | 0.14 | 1.58 | 0.96 |
| 786.00 | 804.00 | 18.00 | 0.21 | 2,555 | 0.09 | 1.08 | 2.77 |
| 954.00 | 983.70 | 29.70 | 0.49 | 699 | 0.15 | 2.59 | 1.19 |

Note: CuEq% = Cu% + [Mo% x 10]; Refer Notes

The overall intersection of **980.7m grading 0.38% CuEq** is outstanding and includes higher grade zones, notably **207m @ 0.51% Cu and 118ppm Mo (0.63% CuEq)** from 519m and **29.7m @ 0.49% Cu and 699ppm Mo (1.19% CuEq)** from 954m to the end of the hole.

Elevated gold values occur within broad sections of the hole, however no clear geological association has yet been recognised, although individual **3m samples returned up to 1.14 g/t Au**.

The general geology at depth is consistent with previous shallower drilling in the resource zone and the mineralization can reasonably be expected to continue beyond the bottom of hole, where the mineralization remains open.

The lithology is mainly quartz diorite porphyry. Alteration is dominantly potassic with phyllic overprinting, and mineralization is variable, mainly associated with faults, fractures and breccias.

Copper mineralization is predominantly chalcopyrite and chalcopyrite/bornite with molybdenite mostly as smears in fractures. Molybdenite mineralization increases with depth and individual assays of up to 0.65% Mo are present.

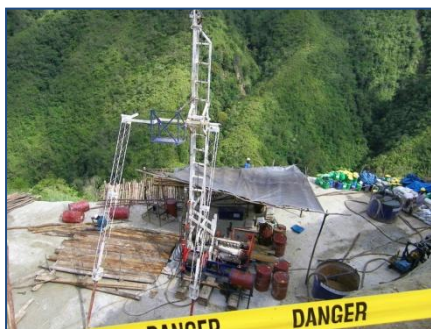


Figure 1: Deep diamond drilling program – Gremi and Imbruminda



Gremi Zone – Deep Drilling

A second deep vertical drill hole (YD294), is currently in progress at the Gremi Zone with a target depth of 1,000 metres (see Figure 3). The hole is currently at a depth of 800m and intersected disseminated copper (bornite) mineralization is noted to approximately 730 metres. **Although not completed, this hole has already demonstrated the presence of mineralization at depth within the Gremi zone.**

Resource Drilling

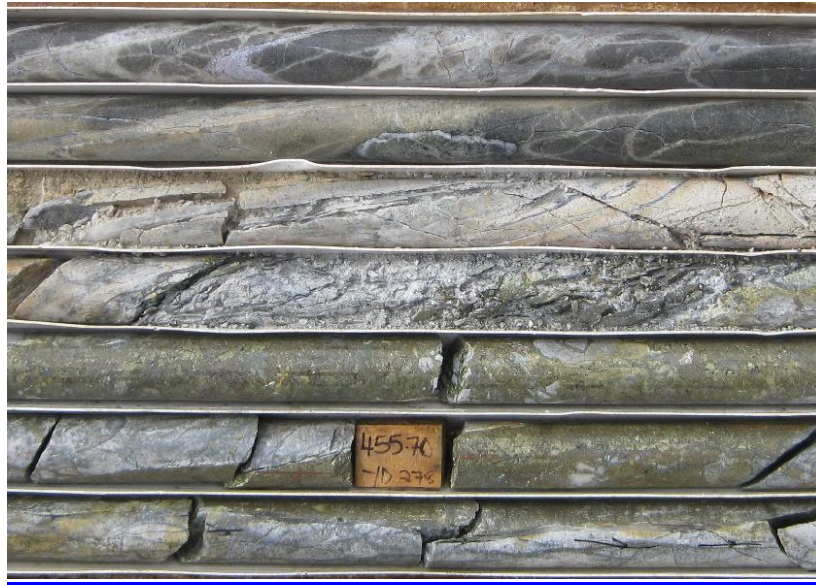
A resource drill hole, YD278, has just been completed at Imbruminda further to the north-west of YD273 (see Figure 4).

Whilst assays are still pending, this hole has intersected disseminated copper mineralization from 320m and massive copper sulphide mineralization near the base of the hole (EOH 461m) (see Figure 2 below).

Further systematic drilling to the north-west is planned. This area has not previously been drilled.

In addition to the ongoing deep hole program, four other diamond drill rigs continue to operate within the Yandera Central Porphyry. This drilling will concentrate on defining lateral extensions of the mineralised zones and where practicable, upgrade Inferred and Indicated resource classifications.

Figure 2: Diamond drill core from hole YD278



Results from another hole drilled at Imbruminda (YD 261) were received and again demonstrated a broad zone of mineralization.

YD 261 (Imbruminda) -65 dip @075° mag – depth 443.5m

| From (m) | To (m) | Width (m) | Cu% | Mo ppm | Au g/t | Ag g/t | CuEq% |
|----------|--------|-----------|------|--------|--------|--------|-------|
| 222 | 417 | 195 | 0.49 | 90 | 0.2 | 2.14 | 0.58 |

Note: $CuEq\% = Cu\% + [Mo\% \times 10]$; Refer Notes

Figure 3: Yandera Central Porphyry – Long Section

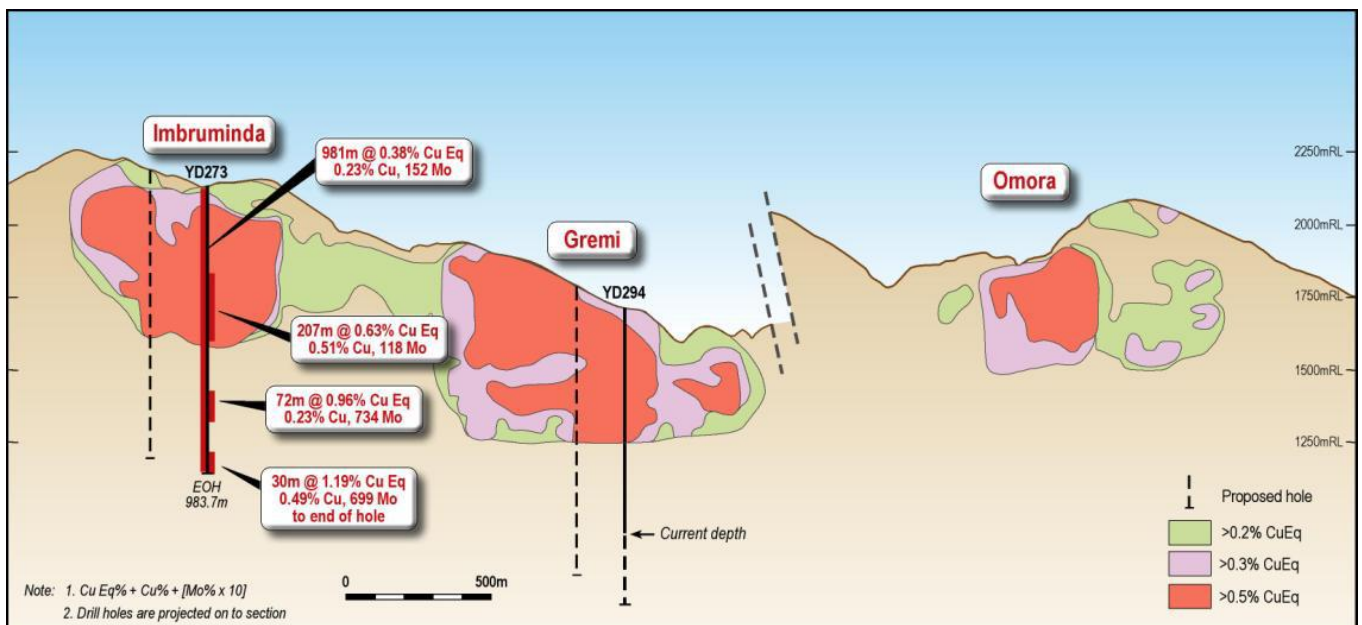
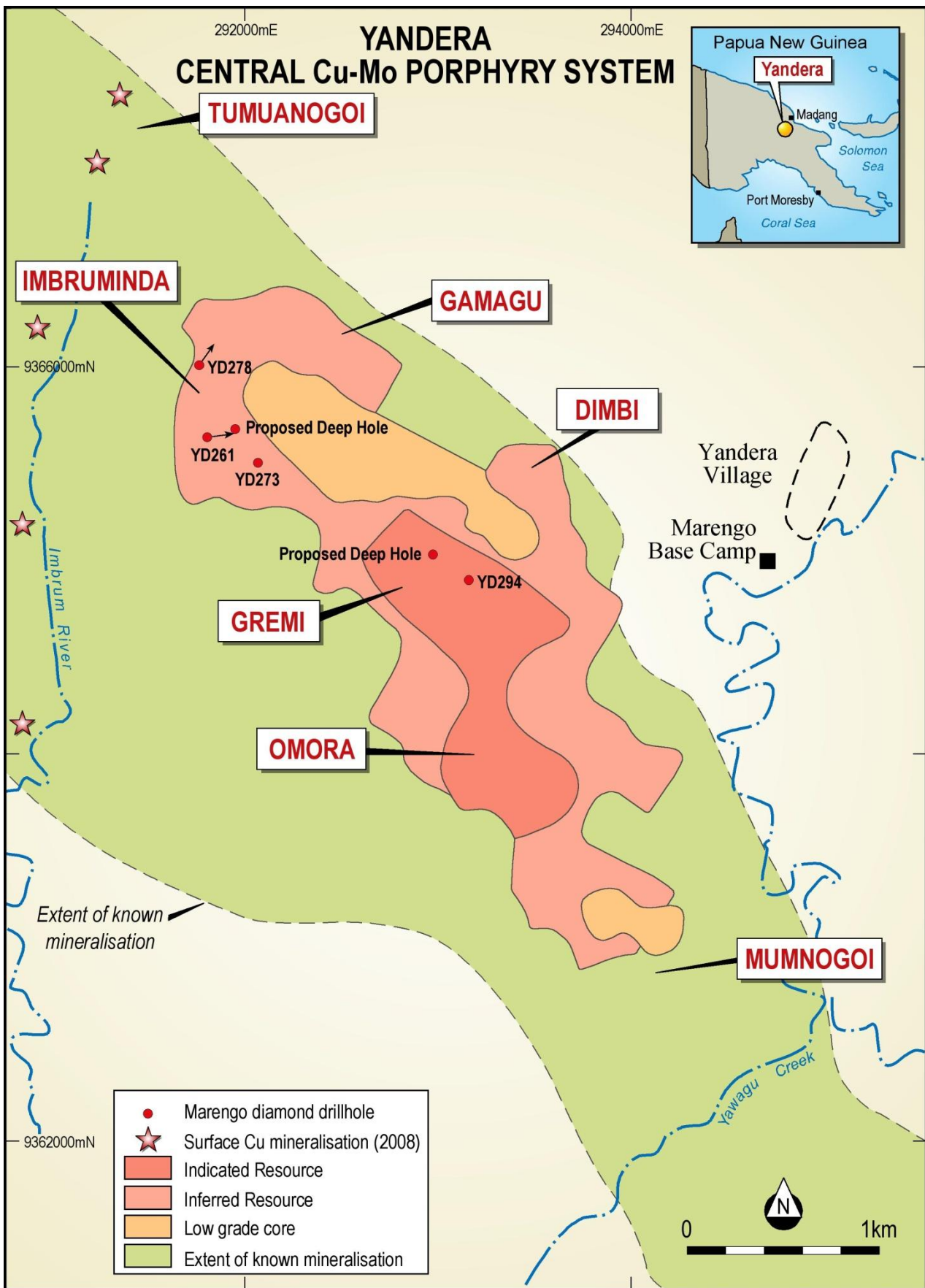


Figure 4: Yandera Central Cu-Mo Porphyry



Definitive Feasibility Study

During the quarter good progress was made on various aspects of the Definitive Feasibility Study (“DFS”).

A number of the drill rigs located on site were utilised for geotechnical drilling of various proposed infrastructure sites around the project area, including proposed plant sites, waste rock dumps, offices, workshops, camp facilities and back-up power installations. In coming weeks geotechnical drilling will be extended to proposed infrastructure sites in the Ramu and Imbrum Valleys, and coastal locations.

Considerable time was spent undertaking additional reviews of the current resource model, a process which will continue up to the latter part of the year, as all additional drill results are fed into the model. The DFS continues to focus on developing a project with an initial operating life in excess of 20 years, with the focus on mining and processing identified higher grade zones early in the mining operation.

Preparations were made for the mobilisation of personnel and equipment to site for the commencement of an exploration adit, for the recovery of a bulk sample of material for additional metallurgical testwork. A bulk sample of some 50 tonnes will be shipped to Australia for testwork to establish processing parameters for the recovery of copper and molybdenum sulphide concentrates. In addition to producing further samples for the recovery of copper and molybdenum sulphide concentrates, work will be undertaken to recover a magnetite iron concentrate, which has been identified as potentially an additional economic product.

Oceanographic testing equipment was deployed into Astrolabe Bay, on the north coast of PNG, in an area selected as a potential location for deep seas tailings placement (DSTP). This testing is part of comprehensive baseline study activity, required to be carried out before any development and environmental permitting is made.

Prior to the deployment of the oceanographic equipment, public awareness meetings were held at nearby villages. These meetings were a great success and will set the foundation for similar meetings, as other activities are undertaken.

Site activity associated with the selection of hydroelectric power installations was commenced in the Imbrum Valley, near the project area. Shallow drilling and some trenching will be undertaken to test ground competency for the location of major items of equipment, including hydroelectric turbines.

Work also continued on the Waste Management Study being undertaken to focus on producing efficient waste management disposal methods, such as recycling and other forms of environmentally acceptable waste management.

Other activities carried out during the quarter included additional site inspections at the proposed near-coastal concentrator, access routes and airfield locations.

Figure 5
Coastal Community Awareness Meeting



Figure 6
Yandera Project Development Concept



Community Matters

Marengo continues to maintain excellent relationships with communities at and around Yandera.

The Company's community relations team continue to engage with local communities, to provide them with updates on Marengo's activities and future plans. These visits give local residents an opportunity to ask questions or put forward suggestions regarding the Company's activities.

Health, Safety & Environment

Marengo is committed to providing a safe and healthy workplace, and continues to take steps to ensure that this is practised at all levels within the Company. It is pleasing to report that during the quarter the Yandera site continued to operate without any serious work injuries.

The Yandera site employs health professionals to ensure that site staff receive immediate attention resulting from any injuries or health issues, should they occur. Since implementation, this facility has expanded to provide general medical assessment and initial treatment to local communities. More substantial medical treatment is provided by government officers at regional centres and in emergency situations Marengo provides helicopter evacuation.

At all times Marengo aims to operate to world class environmental standards and continues to operate without any significant effect on the environment or local communities.

Canadian Offering Priced

Subsequent to the end of the quarter the Company announced that in connection with the proposed public offering of ordinary shares previously announced on April 22, 2010, the Company expects to enter into an agency agreement on or about July 30, 2010 with a syndicate of agents led by Paradigm Capital Inc., as lead agent, and including Fraser Mackenzie Limited to issue up to 240,000,000 units of the Company ("Units") at a price of C\$0.084 (A\$0.09) per Unit for gross proceeds to the Company of up to C\$20.16 million (A\$21.64 million) (the "Offering"). Each Unit shall be comprised of one ordinary share of the Company (a "Unit Share") and a free attaching one-quarter of one ordinary share purchase warrant (each whole ordinary share purchase warrant, a "Warrant"). Each full Warrant shall be exercisable to acquire one ordinary share of the Company (a "Warrant Share") at a price of C\$0.116 (A\$0.125) for a period of three years from date of closing of the Offering. A final short form prospectus in respect of the Offering in Canada is expected to be filed on or about July 30, 2010 in each of the provinces of Canada, except Québec, Newfoundland and Labrador and Prince Edward Island.

Financial close of this Offering is scheduled for on or about August 11, 2010.

The Company intends to use the net proceeds from the Offering to finance activities at the Yandera Project, including DFS activities, the current deep diamond drilling program, regional exploration and general working capital purposes.

Shareholders Meeting

A shareholder meeting was held on May 31, 2010 to consider various resolutions associated with the proposed equity issue. All resolutions were passed at this meeting.

Cash Reserves

At the end of the quarter the Company had cash at bank of A\$6.9M (C\$6.5M).



Les Emery
Managing Director / CEO
July 30, 2010

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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 the (Canadian) SEDAR website.

Scientific and technical information in this report including that relating to drilling intercepts and mineralization 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 mineralization 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 mineralization 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 herein.

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.

Copper equivalent (CuEq) values are estimated on the basis of $CuEq = Cu\% + [Mo\% \times 10]$ i.e. copper metal @ US\$2/lb and molybdenum metal @ US\$20/lb. Adjustment factors to account for differences in relative metallurgical recoveries will depend upon the completion of definitive metallurgical testing. Metallurgical recoveries and net smelter returns are assumed to be 100%. By-product metal values (i.e. gold, silver and rhenium) are not incorporated in the copper equivalent value.

Drill samples were analysed by Intertek Group Laboratories, Jakarta, Indonesia.

For further information on the Project and the resources contained therein, please refer to the Company's Canadian NI 43-101 and Australian JORC compliant technical report "Yandera Copper Project, Mandang Province, Papua New Guinea" (dated January 2009) which is available on the Company's website and at the (Canadian) SEDAR website.

The many faces of Yandera.



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Chairman

Les Emery
*CEO/
Managing Director*

Doug Dunnet
Non-Executive Director

Sir Rabbie Namaliu
Non-Executive Director

Susanne Sesselmann
Non-Executive Director

John W Hick
Non-Executive Director

Elizabeth Martin
Non-Executive Director

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John Ribbons
Company Secretary & CFO

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