



Market Day at Yandera

Marengo Mining Limited

September 2010 Quarterly Activities Report

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www.marengominig.com

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

HIGHLIGHTS

YANDERA COPPER-MOLYBDENUM-GOLD PROJECT

Definitive Feasibility Study (DFS) / Project Development

- ☉ Marengo signs key Memorandum of Understanding with leading Chinese construction and engineering group.
- ☉ DFS continues to target completion of site activities by year end.

Exploration / Resource Drilling

- ☉ Second deep diamond drill hole (YD 294) intersects 660 metres @ 0.48% Cu (including 51 metres @ 1.06% Cu).
- ☉ Drilling at Dimbi zone intersects 96 metres @ 0.68% Cu, 24 metres @ 2.09% Cu and 36 metres @ 1.12% Cu.
- ☉ Drilling at Imbruminda zone intersects 461 metres @ 0.36% Cu.
- ☉ Regional gold prospect indentified.

CORPORATE

- ☉ Canadian capital raising completed, raising A\$21.4M (C\$20.16M).
- ☉ Cash balance at quarter end of A\$20.2M (C\$20.4M).



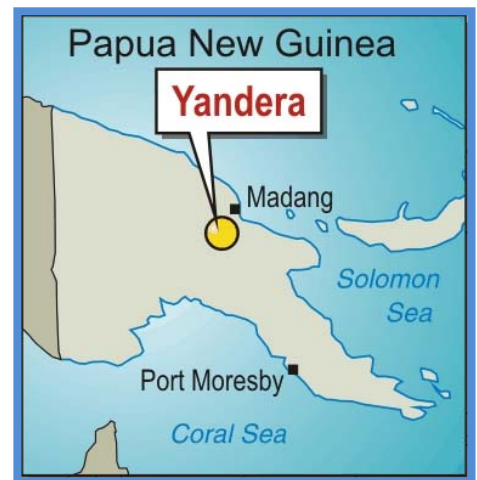
ABOUT MARENGO MINING

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 POMSoX 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 over A\$90 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%)

Project Development - Strategic Partner

Since the end of the quarter Marengo has announced the signing of a Memorandum of Understanding ("MOU") with one of China's leading construction and engineering groups, China Nonferrous Metal Industry's Foreign Engineering and Construction Co. Ltd ("NFC"), which the parties anticipate will pave the way for formal agreements on financing, construction and off-take for its 100%-owned Yandera Copper-Molybdenum-Gold Project in Papua New Guinea.

The landmark MOU, which was signed in Beijing by senior representatives of NFC and Marengo's Managing Director and CEO, Mr Les Emery, marks a key milestone for the Company and an important step towards development of the Yandera Project. The other party to the MOU is Perth-based mining engineering group, Arcon WA Pty Ltd ("Arcon"), which facilitated the introduction to NFC.

Marengo is currently in the final stages of a Definitive Feasibility Study (DFS) on the Yandera Project, which is due to be finalised by the end of 2010 and reported by the end of the first Quarter of 2011.

This will provide the foundation for financing and development of a large-scale, long-life operation to commence at Yandera, with ore processing anticipated to start at approximately 25Mtpa and ramp-up subsequently to 50Mtpa, making it one of the significant new copper-molybdenum projects in the world. Yandera concentrate is expected to enter world markets from the 2013/14 financial year.

Under the MOU, Marengo has agreed to work exclusively with NFC and Arcon to establish the cost and program for delivery of the Yandera Project in parallel with the completion of the current DFS. These discussions will be conducted with a view to entering into:

- a formal construction agreement (Engineering, Procurement and Construction or EPC Contract) under which Marengo will appoint NFC as the principal contractor under a Lump Sum Turnkey Contract following a detailed evaluation of the project construction costs to be undertaken by NFC as part of the final stage of the DFS;
- a formal financing agreement, subject to agreement on the terms of the construction contract, under which NFC will facilitate at least 70% of the necessary financing for the project development costs of the Yandera Project through Chinese banks.

In addition, the MOU contemplates NFC placing a substantial amount of the project copper and molybdenum concentrate off-take with a variety of customers, including NFC itself and investing in either Marengo or the Yandera Project or both, on terms to be agreed.

Under the proposed construction agreement, NFC will be permitted, to the extent reasonably practicable, to maximise the use and procurement of engineering services, mechanical equipment, fabricated steel, and other construction materials, and mining equipment required for the Yandera Project in China.

NFC, which is based in Beijing and listed on the Shenzhen Stock Exchange, is currently capitalised at US\$3.2 billion. NFC undertakes international contracts for non-ferrous metal projects and exports related engineering technologies, equipment, and labour services. In addition, NFC has either built or is currently building major copper and other base metal projects in Iran, Zambia, Myanmar, Mongolia and Kazakhstan.

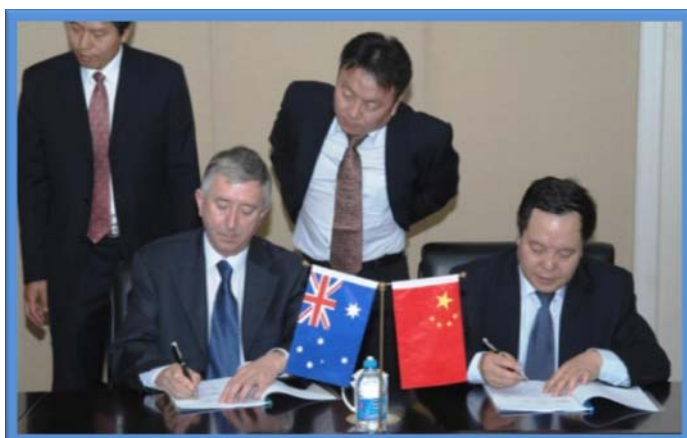
The NFC Group, which employs over 40,000 people, has a substantial manufacturing capacity in China producing mining plant and equipment, and has a number of design institutes employing more than 2,500 engineers.

NFC has a Co-operation Agreement with Arccon, under which Arccon is a joint venturer with NFC in providing a range of engineering construction and delivery services relating to mineral resource development projects that Arccon introduce to NFC. Arccon is owned by the former principals of Minproc Engineers of Australia.

The MOU includes an indicative timetable which contemplates the commencement of project construction at Yandera by the first quarter of 2012 following completion of a formal EPC contract and approved financing, anticipated by November 2011.

It should be noted that the MOU is non-binding and that no party is under any obligation to proceed. Accordingly, there is no certainty that a transaction will proceed.

Marengo and NFC sign MOU in Beijing on 13 October 2010



Definitive Feasibility Study (DFS)

During the quarter the DFS for the development of the Yandera Copper-Molybdenum-Gold deposit continued on track.

In addition to a substantial amount of site based activities at Yandera and regional infrastructure sites, numerous desk top studies by various consultants, continued or were completed.

Major components including geotechnical drilling at various infrastructure sites and the detailed hydroelectric power plan continued on schedule.

Detailed studies of prospective concentrator sites continued to be undertaken as well as continuing to assess the options available for mine tailings disposal.

Substantial effort continued to be placed on evaluating effective waste management options, to focus on producing effective and environmentally acceptable waste management systems.

Additional reviews of the current resource model were undertaken as further data from the recent and current drilling were added to the database. This will allow for more detailed mine planning to be completed later in the study, to aid with preparation of the financial model.

All equipment arrived on site for the construction of the exploration adit, for the recovery of a 50 tonne bulk sample and preparations for portal construction commenced.

Following the signing of the MOU with NFC, it is intended to review, in conjunction with NFC, the process flow sheet design and equipment lists, in order to establish the potential cost savings available as a result of utilizing equipment manufactured by the NFC engineering group or associated companies.

The DFS continues to focus on developing a mining and processing operation, with an initial operation life of at least 20 years, and focusing on the identification of higher grade zones early in the mining operation.

Drilling

The drilling programme continued throughout the quarter with five rigs operating on site. Of these, one rig was assigned to a deep drilling campaign initially planned as four holes each of some 1,000 metres depth each, together with rigs located at Imbruminda, Dimbi and Gremi zones.

Results of drilling and results received during and since quarter end are summarised as follows;

Assays from the second of four deep holes (~ 1000m) have continued to deliver positive results, with the broad zone of mineralisation (**660m @ 0.48% Cu**) extending to depth, including a zone of higher grade copper mineralisation (**51m @ 1.06% Cu**), being encountered in YD 294.

The third deep hole (YD 308) has been completed, with results awaited and the fourth (YD 323) has commenced drilling.

Other recent drilling activities at Yandera have focused on better definition and extensions of the mineralised zones at Imbruminda, in addition to a program to expand the Dimbi – Gamagu zone, by following up on the excellent results of YD245, drilled at the end of the 2009 season As previously reported this hole produced a very credible 357m @ 0.44% Cu, from 48 metres, downhole.

In addition, Marengo is currently completing an infill drilling program at the Gremi zone, in order to elevate a portion of the current resource from an Indicated Resource to a Measured Resource category. This is in preparation for an updated resource estimate, anticipated to be completed prior to the end of 2010.

New results consist of the following;

YD 294 (Gremi); 293174E 9365550N; Collar Azimuth (AMG) 360⁰ @ -90⁰; E.O.H 1,004 m

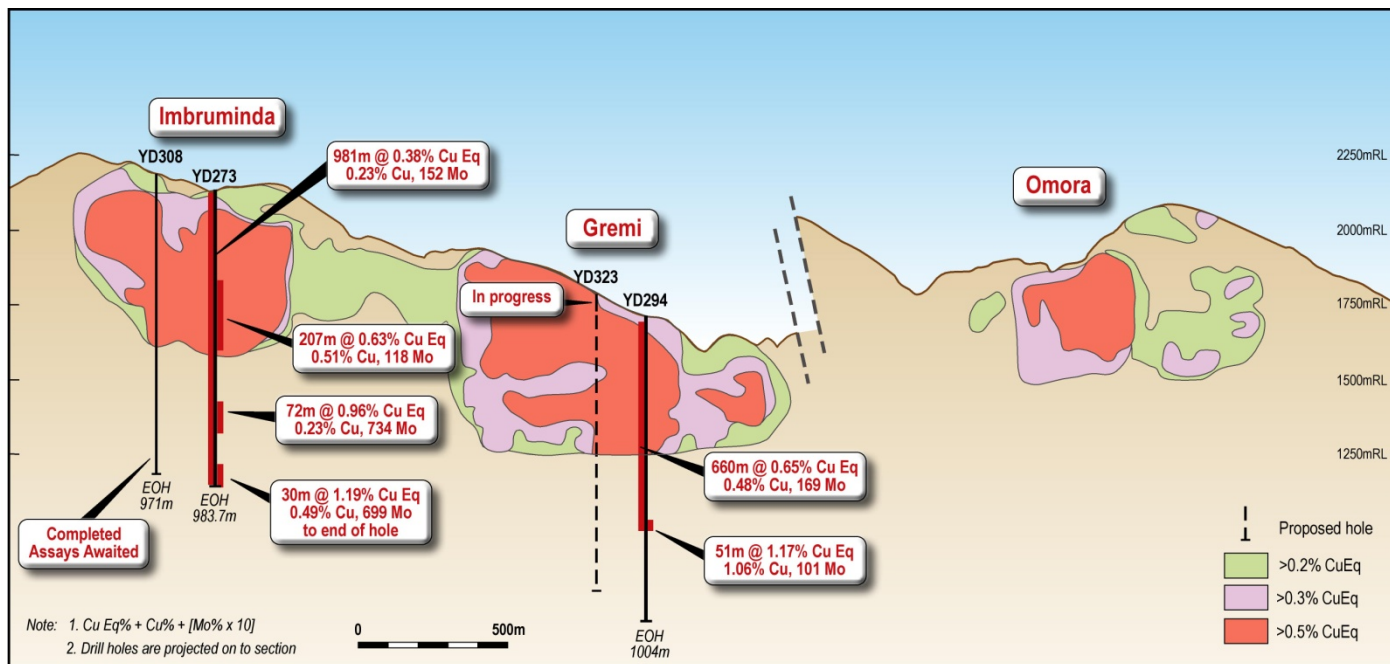
This is the second vertical deep hole for which results have now been received. The hole was drilled to test the depth potential of mineralisation in the Gremi zone. Whilst passing through the mineralised zone towards the deeper section of the hole, the results presented below have extended the mineralisation to approximately 200 m below the current resource level. Assay highlights are as follows:

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
33	693	660	0.48	169	0.16	2.82	0.65
Within this zone, are certain noteworthy intersections:							
33	159	126	0.55	248	0.09	3.20	0.80
213	354	141	0.63	317	0.13	3.16	0.94
384	417	33	0.45	212	0.22	2.96	0.66
447	468	21	0.43	39	0.15	2.43	0.47
624	675	51	1.06	101	0.79	6.09	1.17

CuEq% = Cu% + (10 x Mo%); Refer Notes

The last of these intersections represents a broad zone of high grade copper mineralisation, together with other metals (including elevated gold) and underpins the Company's continued belief in the depth potential of the Yandera deposit.

Figure 1.
Yandera Central Porphyry – Long Section



YD 285 (Imbruminda); 291887E 9365964N; Collar Azimuth (AMG) 220° @ -65°; E.O.H 503 m

This hole was drilled to test the extent of Imbruminda mineralisation to the south west from a pad previously used for YD275 (a hole terminated early, however noteworthy for its gold content). Mineralisation was encountered for the first 135 m down hole.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
2.8	135	132.2	0.36	188	0.25	1.72	0.55
Within this zone, the following higher grade intersection can be found:							
93	135	42	0.54	247	0.33	1.75	0.78

CuEq% = Cu% + (10 x Mo%): Refer Notes

YD 291(Dimbi); 292929E 9365758N; Collar Azimuth (AMG) 2150 @ -670; E.O.H 456 m

This hole was drilled to test an identified zone of significant mineralisation extending south-east along strike from an earlier hole (YD279), assay results of which were previously reported.

Results from hole YD 291 have provided the following intersections and confirm the coherent lateral extent of the Dimbi mineralised zone;

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
129	225	96	0.68	62	0.10	2.63	0.74
Within this broad zone, the following narrower intersections were noted							
177	192	15	1.10	28	0.08	3.12	1.13
207	225	18	1.67	124	0.11	4.97	1.79
Further down the hole:							
309	333	24	2.09	40	0.18	8.14	2.13

CuEq% = Cu% + (10 x Mo%): Refer Notes

YD 278 (Imbruminda); 291772.75E 9365997.3N Collar Azimuth (AMG) 0500 @ -700; E.O.H 460.9m)

This hole was drilled to test an identified zone of strong mineralization, extending north-west along strike from YD275. Assay results from this exceptional hole have provided the following intersections:

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
0	460.9	460.9	0.36	69	0.12	2.16	0.43
Within this broad zone, the following narrower intersections were noted							
57	87	30	1.03	174	0.44	4.22	1.20
108	132	24	0.45	185	0.12	2.34	0.64
162	195	33	0.51	57	0.13	2.11	0.56
369	460.9	91.9	0.56	134	0.18	3.53	0.70

CuEq% = Cu% + (10 x Mo%)

This hole terminated in high grade mineralisation, with good molybdenum values. One 3 metre wide intersection near the end-of-hole (453-456m) returned an assay result of 8.67% CuEq driven mostly by abundant chalcopyrite.

A further hole, YD307, sited 100m further to the north-west, along strike, is currently in progress and the initial inspection of the core indicates sulphide occurrences. A follow up program is in place to fully identify this zone of higher grade mineralisation.

YD 275 (Imbruminda); 291879E 9365967N Collar Azimuth (AMG) 2300 @ -650; E.O.H 47.9m)

A very short hole terminated early due to deviation, however for the small amount of core recovered, the assays results indicate good scope for shallow mineralisation from within the Imbruminda zone.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
4.5	47.9	43.4	0.39	68	0.24	1.70	0.45

CuEq% = Cu% + (10 x Mo%)

Progress in the Dimbi - Gamagu zones has revealed significant information on the structural control on the mineralisation in this area. The main control appears to be related to a marked NW-SE orientated fault zone. This structure, the Dimbi Structure, was intersected by YD245 in late 2009, as well as two recent holes (YD277 & YD279), with results as follows.

YD 277 (Dimbi); 292652E 9365586N Collar Azimuth (AMG) 0500 @ -650; E.O.H 432.5m)

This hole commenced in the low grade quartz core zone and drilled to the north-west towards the Dimbi structure. The Dimbi structure was encountered towards the end of the hole with a marked jump in copper grade.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
396	432.5	36.5	1.12	11	0.10	5.34	1.14

CuEq% = Cu% + (10 x Mo%)

YD 279 (Dimbi); 292862E 9365856N Collar Azimuth (AMG) 2300 @ -700; E.O.H 512.9m)

This hole was collared in the Dimbi zone and drilled to the SW across the Dimbi structure. As was expected, good grades were encountered including significant molybdenum values.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
24	273	249	0.26	180	0.14	1.76	0.44
Within this broad zone, the following narrower intersections were noted							
45	144	99	0.4	208	0.14	2.02	0.61

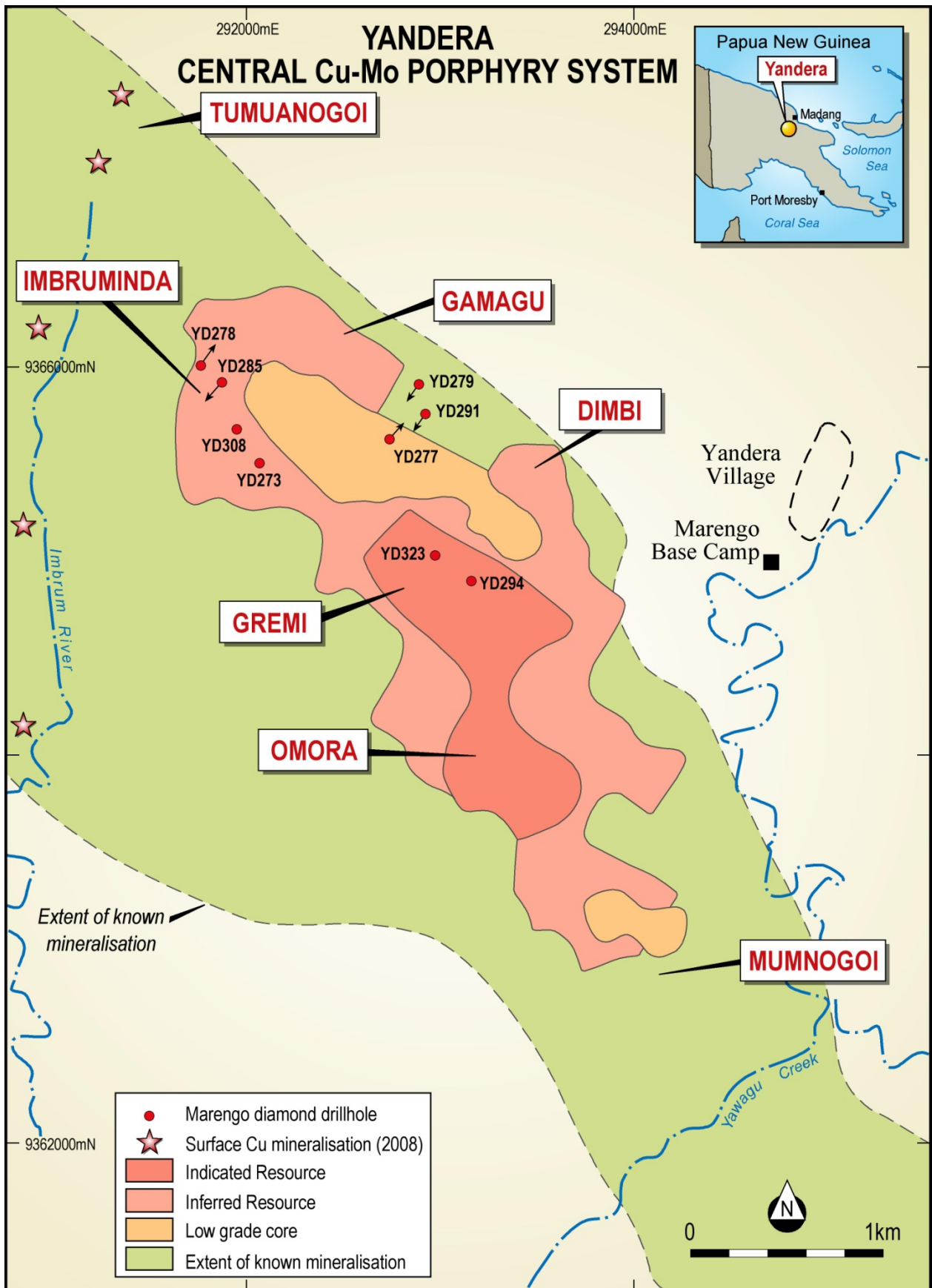
CuEq% = Cu% + (10 x Mo%)

One of the interesting characteristics of this Dimbi hole is the role played by molybdenum dominating in most cases over copper. In addition, broad gold intersections are common with grades of up to 0.4g/t Au over a 15m intersection.

Yandera Drilling Operations



Figure 2.
Yandera Central Porphyry System – Drill Location Plan

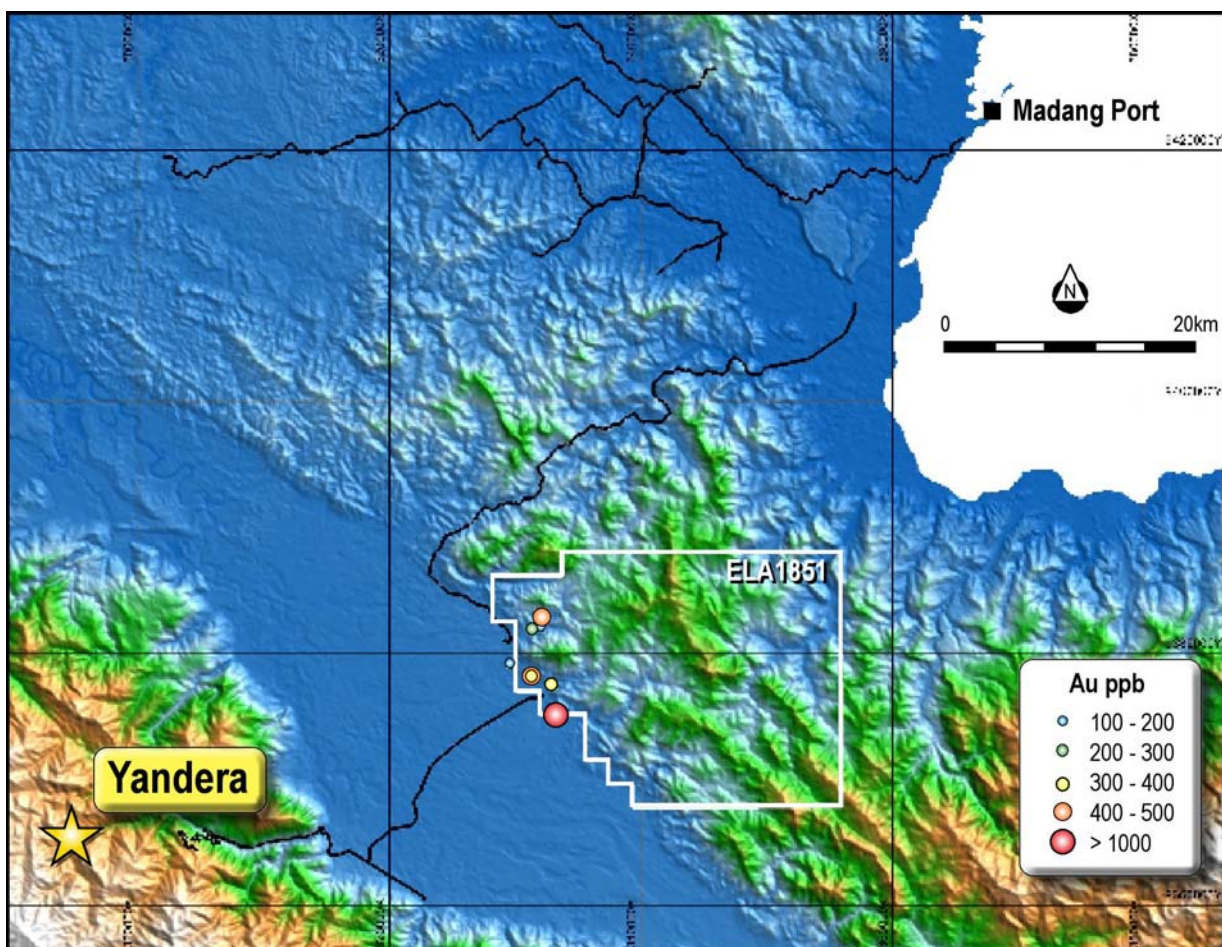


Regional Gold Prospect – Yakumbu

Marengo has lodged a new exploration licence application north-east of Yandera in the Finisterre Ranges, to follow up on stream sediment gold anomalies identified in the recent mining sector support program funded by the European Union.

This new application (ELA1851 - Yakumbu) is a particularly exciting development for the Company as there has been almost no prospecting or geological mapping work carried out in the Finisterre Ranges and accordingly the mineral potential of this area is almost unknown. Geologically, it represents a possible strike extension to the Torricelli Mountains between Wewak and Vanimo where occurrences of gold and platinum are well known.

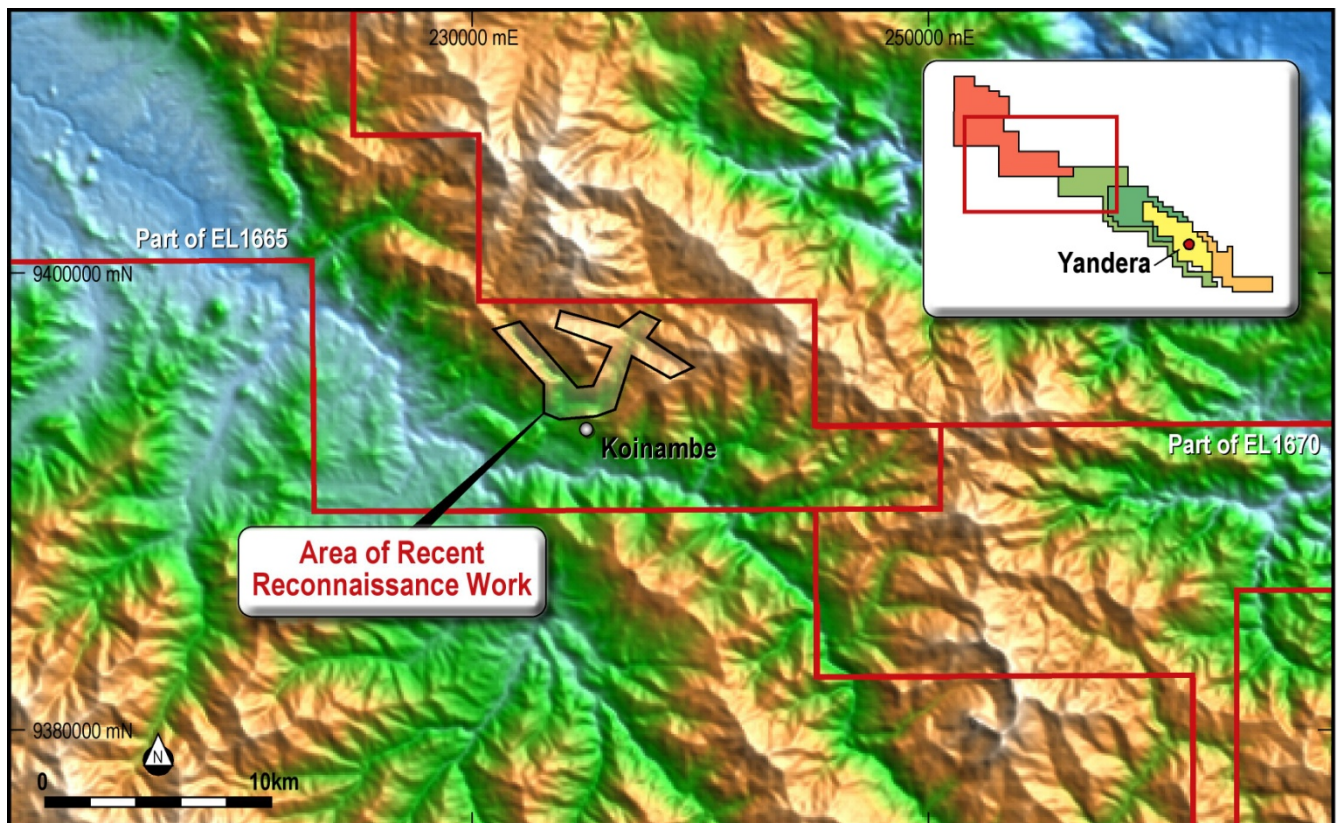
Figure 3.
Yakumbu Plan



Regional Exploration

Regional exploration during the quarter focussed on reconnaissance mapping and stream sediment sampling in EL1665 Koinambe (Figure 4). A team investigated principal drainages to the north of Koinambe Station: Miyang, **Nondong**, Riyamb and Pind Creeks and noted a considerable amount of alluvial mining activity in the area. A total of 115 stream sediment samples and 4 pan concentrates were collected over a period of one month. Assay results from this work are expected before the end of 2010. Follow-up work will be scheduled for the onset of the dry season in 2011.

Figure 4.
Reconnaissance Program - Koinambe



Community Matters

Marengo continues to maintain excellent relationships with communities at and around Yandera, with engagement now taking place with communities located in areas more regional to Yandera.

The Company's community affairs team continues to engage with local and regional 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 employees receive immediate attention to 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 medical 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.



CORPORATE AND FINANCIAL**Canadian Capital Raising Completed**

During the quarter the Company completed a Canadian prospectus offering of 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 C\$20.16 (A\$21.4) million (the "Offering"). Each Unit consists of one ordinary share of the Company and a free attaching one-quarter of one ordinary share purchase warrant (each whole ordinary share purchase warrant, a "Warrant"). Each Warrant is exercisable to acquire one ordinary share of the Company at a price of C\$0.116 (A\$0.125) until August 11, 2013. The Offering was led by Paradigm Capital Inc. of Toronto, with a syndicate comprising Fraser Mackenzie Limited.

A number of leading North American investment funds participated in the Offering, which was also strongly supported by several of the Company's existing major shareholders.

It is the second significant international capital raising to be undertaken by Marengo in the past twelve months, following the A\$21.7 million raising completed in September last year in Canada and Australia, which saw George Soros' Quantum Partners LDC join the Marengo register, with a 19.9% holding.

The proceeds of this capital raising will be used to complete the Yandera DFS and to provide general corporate, and working capital.

Annual General Meeting

The Annual General Meeting of Marengo Mining Limited will be held at The Celtic Club, 48 Ord Street, West Perth at 4.00 pm on Thursday, 11 November 2010.

Appointment of Joint Company Secretary

The Company has appointed Mr Dennis William Wilkins as Joint Company Secretary.

Cash Reserves

At the end of the quarter the Company had cash reserves of A\$20.2M (C\$20.4M).



Les Emery
Managing Director / CEO
29 October 2010

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CORPORATE DIRECTORY

DIRECTORS

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COMPANY SECRETARIES

John Ribbons*Company Secretary & CFO***Dennis Wilkins***Company Secretary*

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Canada - TSX
Papua New Guinea – POMSoX

ASX/POMSoX CODE

MGO

TSX CODE

MRN

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The Many Faces of Yandera



This news release does not constitute an offer to sell or the solicitation of an offer to buy any ordinary shares within the United States. The ordinary shares have not been offered and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, the ordinary shares may not be offered or sold in the United States or to U.S. persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration are granted.

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 $CuEq = Cu\% + [10 \times Mo\%]$ 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, Madang Province, Papua New Guinea" (dated January 2009) which is available on the Company's website and at the (Canadian) SEDAR website.