



Photo: Queen Bee Prospect - Exploration Team

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## KEY POINTS

### Project Development

- 📍 September 2012 completion targeted for Feasibility Study
- 📍 Updated Resource Estimate improves grade and underpins target 20 year mine life
- 📍 Post resource estimate, drilling during the quarter included:
 

Omora	362m @ 0.31%Cu,	183m @ 0.37% Cu,	108m @ 0.47%Cu
Imbruminda	177m @ 0.30% Cu,	66m @ 0.36% Cu,	30m @ 0.65% Cu
- 📍 Yandera site visit by large Chinese engineering delegation to review potential project development

### Exploration

- 📍 First phase of Dirigi exploration drilling completed including intersection of 54m @ 0.23% Cu, 211ppm Mo and 0.12g/t Au
- 📍 Airborne geophysical survey identifies additional exploration targets
- 📍 Fieldwork commenced at the Queen Bee Prospect

### Corporate & Financial

- 📍 Equity financing completed raising C\$20M in difficult equity market conditions
- 📍 Appointment of Chief Operating Officer
- 📍 Appointment of PNG Country Manager
- 📍 Cash balance of A\$24.5M (C\$25.8M)
- 📍 New website launched ([www.marengominig.com](http://www.marengominig.com))



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## **Strategic Partners**

In October 2010, the Company signed a Memorandum of Understanding (MoU) with China Nonferrous Metal Industry's Foreign Engineering and Construction Co Ltd (NFC), for the financing, construction and development of the Yandera Project.

As part of its MoU with NFC and Arcon (WA) Pty Ltd (Arcon), NFC's Australian engineering partner, these parties have agreed with Marengo to undertake the key phase of process plant design work, in addition to other areas, as agreed. This work will be undertaken at one of NFC's design institutes in China, which employ some 2,500 engineers, who are focused on the many offshore engineering and construction projects being undertaken by NFC at any one time. Arcon will provide supporting engineering services to NFC.



On 19 September 2011, the Company entered into the Yandera Project Investment and Co-operation Agreement ("the Agreement") with Petromin PNG Holdings Limited. Petromin is a resource and investment company established by the PNG Government to hold the Government's interest in, and invest in the development of mining, oil and gas projects in PNG.

The Agreement establishes the process by which a Mining Equity Agreement (MEA) will be developed by the parties under which Petromin may acquire a 30% contributing interest in the Yandera Project, once the Feasibility Study has been completed, the Mining Development Contract is entered into and a Financial Investment decision is made. At the time of entering into the MEA Petromin will be required to reimburse Marengo a pro-rata sum of Marengo's sunk costs on the Yandera Project.

## **Feasibility Study**

The primary activity during the quarter was to continue activities relating to the completion of a Feasibility Study on the Yandera Project. This work is running in parallel with the completion of an Environmental Impact Statement (EIS) for submission to the PNG Department of Environment and Conservation.

It is anticipated that these documents will be completed towards the end of the current quarter, ahead of an EPC pricing to be submitted by the Company's Chinese strategic engineering partner, NFC, during Q4 – 2012.

The Yandera Project development concept is for a full open-cut mining operation and subsequent processing operation to be sited at Yandera, with copper concentrate, and by-product magnetite concentrate being delivered to a port facility, in the Madang area, by way of pipeline.

Molybdenum concentrate will be delivered by road transport due to the smaller volumes of this high value product from the proposed mining operation.

An integrated rock waste and process tailings facility is being designed to be located in the vicinity of the Yandera deposit, under stringent criteria, to ensure that the highest levels of environmental integrity are retained.

A power station, also located in the Madang area, is contained within the study, with power being reticulated to site, close to existing roads and then close to a planned road, which will extend up to the Yandera site from the end of existing regional roads.

## Revised Resource Estimate

The revised mineral resource estimate, released in May, saw a significant increase in measured resource and grade as well as areas of higher grade (+0.5% Cu) some of which have been identified for the initial years of possible production. At a 0.25% Copper cut-off grade the Yandera Resource was reported as:

**Table 1: Yandera – Revised Resource Estimate**

Resource Category	Tonnage (Mt)	% Cu	Contained Copper (M lbs)
<b>Measured &amp; Indicated</b>	<b>362</b>	<b>0.43</b>	<b>3,407</b>
<b>Inferred</b>	<b>218</b>	<b>0.37</b>	<b>1,778</b>

The measured resource category has increased by over 100% and substantial additional resources have been upgraded from the inferred to indicated category. Also confirmed were significant areas of elevated gold and molybdenum grades. The resource estimate incorporates assay results from 465 diamond drill holes totalling 145,335 metres, which were drilled up until the end of 2011.

The following table shows the comparison between the current resource estimate and the previous estimate (April 2011);

**Table 2: Yandera – Comparison to previous Resource Estimate**

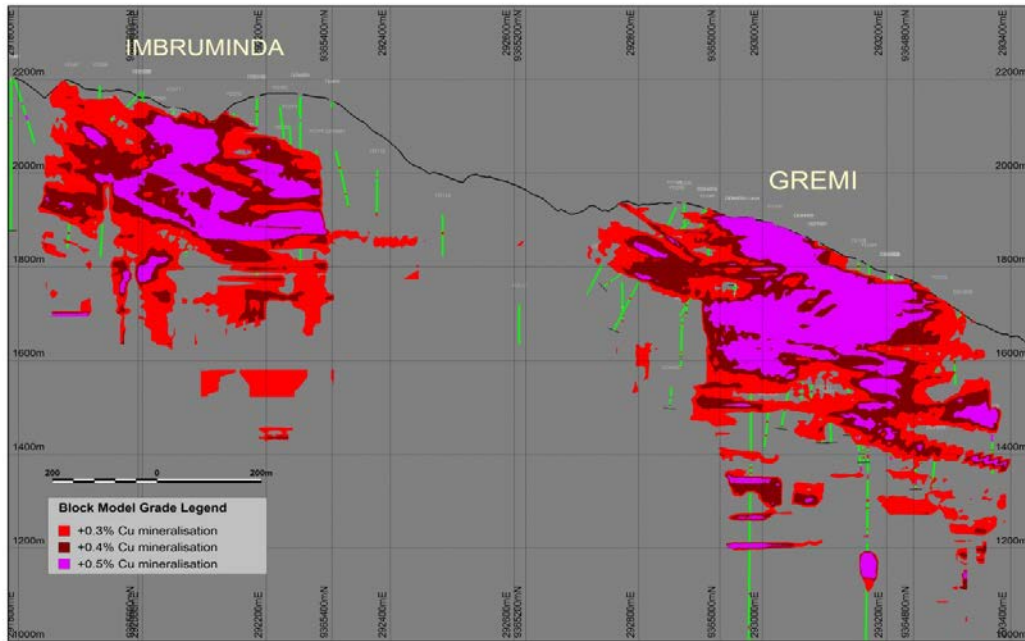
<b>Total Measured &amp; Indicated</b>	Cut-off	Mt	Cu (%)
April 2012 Model	0.25% Cu <sup>1</sup>	362	0.43
April 2011 Model	0.30% CuEq <sup>2</sup>	359	0.36
<b>Inferred</b>			
April 2012 Model	0.25% Cu <sup>1</sup>	218	0.37
April 2011 Model	0.30% CuEq <sup>2</sup>	417	0.38

1) Ravensgate does not use copper equivalent grade for reporting

2) The copper equivalent calculation used by Golder Associates in April 2011 was  $CuEq = (Cu\% + (Mo\% \times 10))$

In addition, an extensive section of the Yandera deposit shows zones of higher grade gold and molybdenum (refer tables below), which are expected to make a significant positive contribution to the overall project economics. Additional metal inventories for by-product silver and rhenium have not been calculated at this time.

**Figure 1: Yandera Block Model – Long Section (Gremi/Imbruminda)**



### Drilling (Yandera Central Porphyry)

Drilling continued throughout the quarter with three rigs on site. Extending the in-fill drilling program initially at Omora before moving to Imbruminda. Two rigs are now undertaking exploration drilling at the Dirigi Prospect.

#### YD422 (Omora)

*Collar 292887E 9364300N Azimuth (AMG) 215@ -50; E.O.H 185.6 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
135	153	18	0.55	88	0.02	5.5

#### YD424 (Imbruminda)

*Collar 291613E 9365524N Azimuth (AMG) 035@ -80; E.O.H 384.0 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
57	87	30	0.45	245	0.07	1.02
300	315	15	0.32	111	0.04	3.26

#### YD438 (Imbruminda)

*Collar 292038E 9365529N Azimuth (AMG) 215@ -45; E.O.H 378.0 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
168	183	15	0.21	386	0.15	0.42

#### YD430 (Omora)

*Collar 293480E 9364241N Azimuth (AMG) 215@ -65; E.O.H 219.0 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
60	69	9	0.66	4	0.02	3.9

#### YD425 (Omora)

*Collar 293480E 9364241N Azimuth (AMG) 215@ -80; E.O.H 215 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
60	84	24	0.57	6	0.02	4.6

#### YD437 (Omora)

*Collar 293259E 9364307N Azimuth (AMG) 215@ -75; E.O.H 302.2 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
21	36	15	0.50	59	0.02	3.0
108	291	183	0.37	79	0.06	3.3
108	150	42	0.48	177	0.05	2.7
252	291	39	0.51	11	0.11	5.0

**YD427 (Imbruminda)***Collar 291821E 9365317N Azimuth (AMG) 0@ -90; E.O.H 363.0 m)*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
81	165	84	0.35	71	0.22	1.22
The above includes the following:						
<b>144</b>	<b>165</b>	<b>31</b>	<b>0.58</b>	<b>73</b>	<b>0.35</b>	<b>2.07</b>
Further down the hole:						
315	339	24	0.49	65	0.10	1.85

**YD428 (Imbruminda)***Collar 293480E 9364241N Azimuth (AMG) 215@ -50; E.O.H 230.6 m)*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
303	318	15	0.40	47	0.23	2.62

**YD434 (Omora)***Collar 293480E 9364241N Azimuth (AMG) 215@ -50; E.O.H 230.6 m)*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>57</b>	<b>81</b>	<b>24</b>	<b>0.68</b>	<b>5</b>	<b>0.03</b>	<b>6.46</b>

**YD441 (Omora)***Collar 293361E 9363998N Azimuth (AMG) 215@ -60; E.O.H 410.0 m)*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>4</b>	<b>366</b>	<b>362</b>	<b>0.31</b>	<b>131</b>	<b>0.02</b>	<b>2.06</b>
Within this broad intersection the following occur:						
4	30	26	0.54	13	0.04	0.8
90	123	33	0.40	15	0.02	1.03
258	366	108	0.47	402	0.03	3.04

**YD389 (Imbruminda)***Collar 291779E 9365577N Azimuth (AMG) 215@ -80; E.O.H 419.7 m)*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
63	96	36	0.46	88	0.03	0.78
273	300	27	0.44	77	0.04	1.36
339	405	66	0.36	102	0.06	1.08

**YD460 (Imbruminda)***Collar 291995E 9365649N Azimuth (AMG) 215@ -65; E.O.H 471.1 m)*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
9	471	462	0.27	123	0.13	1.78
Within this broad intersection, the following occur:						
9	108	99	0.29	71	0.19	2.32
60	102	42	0.29	142	0.22	2.79
123	180	57	0.37	137	0.16	2.32
306	357	51	0.43	130	0.23	2.1
375	426	51	0.22	208	0.06	1.26

**YD443 (Omora)***Collar 292887E 9364300N Azimuth (AMG) 035@ -75; E.O.H 106.4 m)*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>91</b>	<b>106</b>	<b>15</b>	<b>0.75</b>	<b>412</b>	<b>0.12</b>	<b>4.78</b>

**YD444 (Imbruminda)***Collar 292318E 9366322N Azimuth (AMG) 035@ -70; E.O.H 501.1 m)*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>27</b>	<b>57</b>	<b>30</b>	<b>0.65</b>	<b>192</b>	<b>0.09</b>	<b>2.38</b>
<b>114</b>	<b>129</b>	<b>15</b>	<b>0.55</b>	<b>322</b>	<b>0.11</b>	<b>2.70</b>

**YD450 (Imbruminda)***Collar 291999E 9365545N Azimuth (AMG) 215@ -70; E.O.H 432.1 m)*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
24	48	24	0.46	14	0.07	1.89
144	204	60	0.37	99	0.10	2.10
255	321	66	0.32	127	0.17	1.63

**YD454 (Imbruminda)***Collar 291806E 9365313N Azimuth (AMG) 035@ -50; E.O.H 391.4 m)*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
39	63	24	0.30	144	0.04	0.74
<b>117</b>	<b>294</b>	<b>177</b>	<b>0.32</b>	<b>82</b>	<b>0.13</b>	<b>1.36</b>
Within this broad intersection, the following occur:						
168	234	66	0.42	56	0.13	1.36

**Drilling (Exploration)****YD475 (Dirigi)***Collar 294311E 9362358N Azimuth (AMG) 215@ -60; E.O.H 401.5 m)*

This hole was designed to test a Cu in soil chemical anomaly associated with a NW-SE structure hosting a small breccia body further NW towards the top of Mumnogoi. Au & Mo mineralised intersection encountered in the upper 50 m of the hole. Ag also reports well.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>3</b>	<b>57</b>	<b>54</b>	<b>0.23</b>	<b>211</b>	<b>0.12</b>	<b>12.76</b>

**YD476 (Dirigi)***Collar 294311E 9362358N Azimuth (AMG) 215@ -60; E.O.H 401.5 m)*

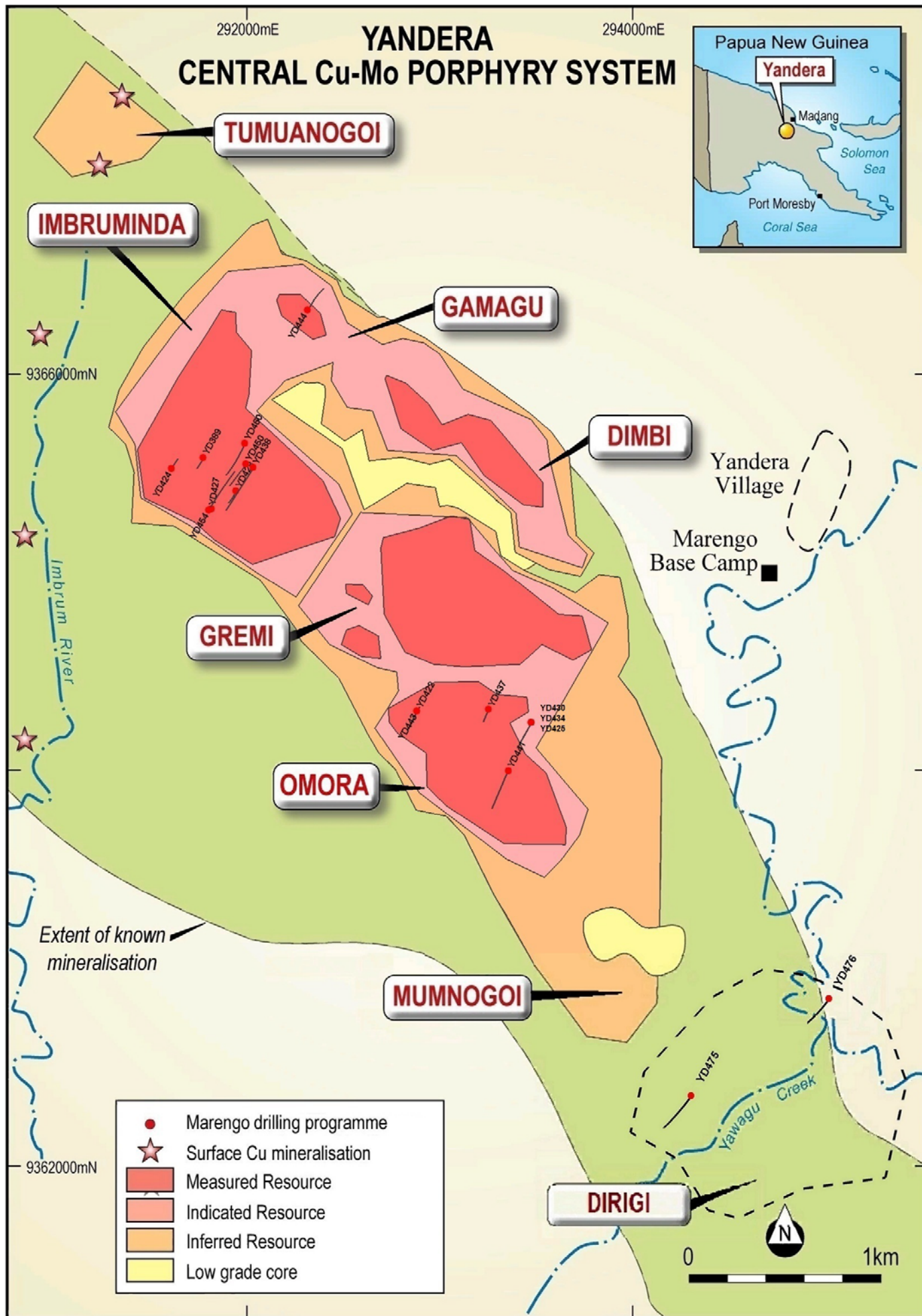
This hole was drilled to test a structure from which Au in a grab sample returned 25 g/t. Weak mineralisation was encountered at depth, although Mo reports quite well over narrow intersections. Data interpretation including relationship to other proximal structures is currently underway.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
192	258	66	0.17	91	0.01	2.6
The above includes the following:						
292	207	15	0.38	31	0.02	4.15
228	258	30	0.06	157	0.01	0.85

Please note full drill results are available on our web site [www.marengominig.com](http://www.marengominig.com).



Figure 2 - Yandera Central Porphyry System – Drill Location Plan



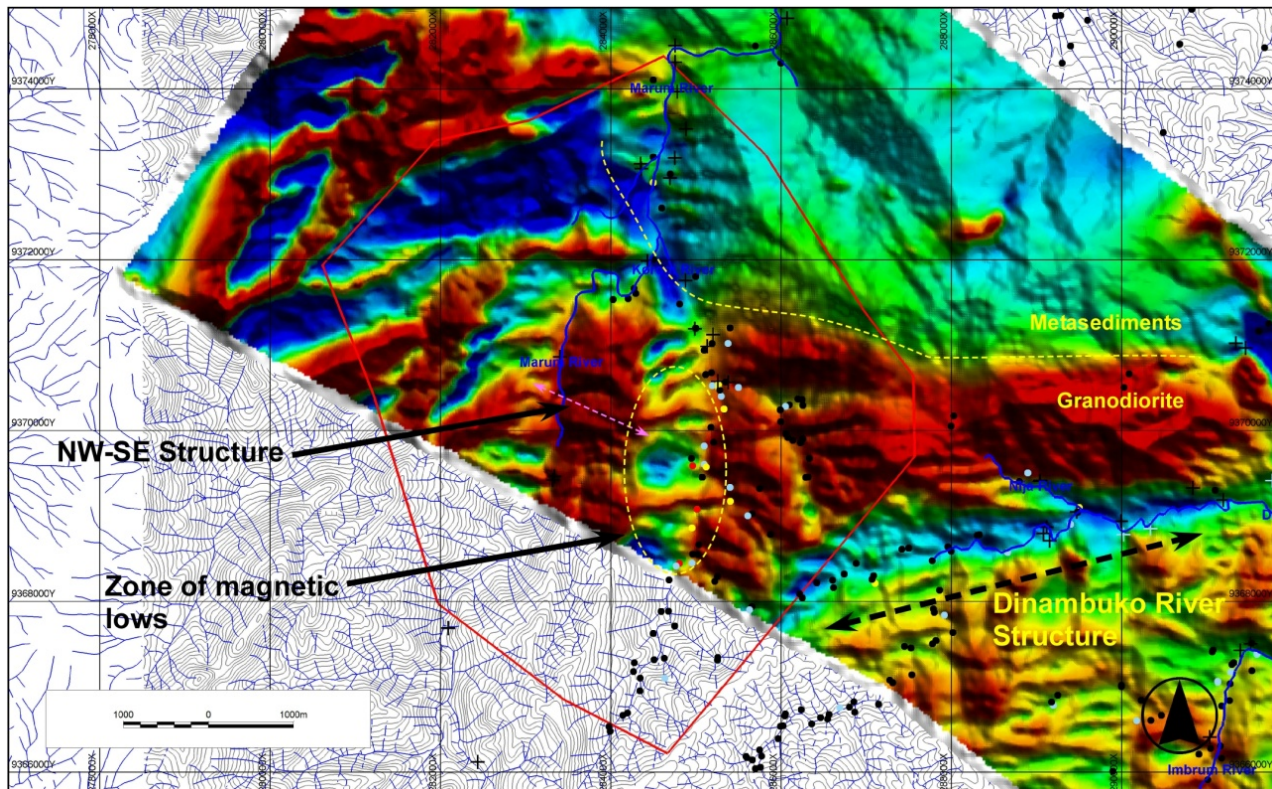
## Yandera Exploration



The Company's regional program continued during the quarter with completion of the airborne geophysical survey over EL1633 & 1670 in early May. The data set was delivered by the end of May and sent for processing. This new data will be combined with the data flown in late 2009 plus the data flown during 2007, as part of the mining sector support program. It is expected that the final results will be available to build into the regional program by the end of July, and aid target generation in the Company's extreme north western tenement areas.

Fieldwork started during the quarter on the Queen Bee Prospect with two expeditions taking place to map and sample the drainages in that area. Work concentrated initially on the Marum River and the Kutua River drainage further west, to increase the dataset on the area. Figure 2 shows the geological, geophysical and sample data currently on hand. Anomalous stream sediment samples have been collected and show a distribution related to certain NE-SW to EW orientated magnetic low features within the mass of granodiorite. Further work in this area will target the magnetic lows for detailed mapping as well as the ENE-WSW orientated Dimbuku River structure further to the east of Queen Bee.

**Figure 3: Queen Bee Prospect- Magnetic Image**



The magnetic image above, over the Queen Bee prospect (Red polygon). Points are stream sediment samples collected by Marengo; samples were collected by the Mining Sector Support Program, funded by the EU. In all cases black is less than average, blue is average plus 1 standard deviation, yellow is 1 standard deviation to 2 standard deviations, and red is values greater than 2 standard deviations.



With the reduction in the number of drill rigs on site, for the time being, geologists have been freed up to concentrate on local target areas. One of these, the Moguru Creek, which lies directly south of Omora, saw focussed mapping and sampling during the quarter. The aim was to test extensions to the Omora breccia bodies and identify any mineralised structures in that area that may add to the overall Yandera resource.

## Sample Preparation Facility Commissioned

During the quarter, a sample preparation facility was commissioned at a location close to Yandera (Frog Camp).

This Marengo constructed and owned facility has streamlined the drill core logging and sample handling process, with a single location being utilized for the receipt of all drill samples, their photography, logging and sample collection.

Once the samples are recovered they are handed to the sample preparation section of the facility, which is operated under a full quality control regime by ITS (PNG) Limited, a member of the Intertek Laboratory Group. Once sample preparation is complete a portion of each sample is transported from site for analysis at accredited Intertek laboratories.

With the commissioning of this facility the amount of material transported from site is greatly reduced and the timing for receipt of sample analysis is also reduced.



## Community Matters

Marengo is committed to working with the community in all aspects of the current activities and future development plans for the Yandera Project. It maintains an effective and dedicated team to manage its community affairs programs.

During the Feasibility Study process the Company has made every effort to ensure that all stakeholders are fully briefed on the proposed development plans.

Public forums in villages and the Madang town area have enabled all stakeholders to voice their opinions on Marengo's current and planned activities. During these meetings it has become obvious that a high level of support continues to be given to the Company.

Regular meetings continue to be held with government departments at both provincial and national level to ensure that these bodies are also made aware, at an early stage of the development plans for the Yandera Project.



## Safety, Health and Environment

Marengo places the highest level of importance on safety, health and environment in all areas where it is active.

It is pleasing to report that during the quarter there has been no significant safety or environmental incidents. The focus of all activities carried out by Marengo staff and consultants is to work safe and a dedicated health and safety management team are engaged in a program of continuous improvement to achieve this goal.

The Company's Environment Department continues to be heavily involved in a number of aspects of the Feasibility Study, particularly in areas involving baseline studies to assess the current regimes, in areas where development activities are planned to occur.

The Yandera camp clinic continues to treat Marengo employees and members of the local villages for their health needs. The more serious medical cases being evacuated by helicopter to government medical facilities for further treatment.



## Equity Financing

On 11 July the Company announced the completion of a best efforts offering (the "Offering"), previously announced on 13 March 2012. The Offering was led by Paradigm Capital Inc of Toronto and included Casimir Capital Limited of New York.

The Company raised gross proceeds of C\$20M by the issue of 133,333,333 ordinary shares at C\$0.15 per share.

The issue was supported by a number of Marengo's existing shareholders, together with a number of new investors, including JP Morgan Asset Management (UK) Limited which took up 5.7% of the Company's issued capital.

Substantial shareholders in Marengo now comprise;

Sentient Global Resource Fund	22.20%
Quantum Partners LDC	16.49%
OMERS (Ontario Municipal Employees Retirement System)	6.54%
JP Morgan Asset Management (UK) Limited	5.70%

The Company would like to thank all those involved in this raising, which was completed in extremely challenging market conditions.

## Appointment of Chief Operating Officer



During the quarter Marengo announced the appointment of Mr Paul Korpi to the newly created position of Chief Operating Officer as part of its strategy to build its executive management team.

Mr Korpi has more than 35 years experience in the mining industry spanning a long and distinguished career during which he has worked in all phases of surface and underground mine operations, including mine and project development, general and executive management and operations in the

United States, Canada, Indonesia and Central Asia.

He was most recently General Manager and Country Director for IAMGold's Rosebel Mine in Suriname. Prior to that, he was the General Director of Kazakhmys Projects LLC, where he led the development team for two different porphyry copper-molybdenum-gold mining projects in Kazakhstan – one of which, Boschekul, has since commenced construction.

A key element of this project's development was the successful conclusion of negotiations with the Chinese Development Bank Corporation for a US\$2 billion loan facility.

Prior to this, Mr. Korpi was President and General Director of Boroo Gold Mine in Mongolia. He was also previously involved in the development, construction and initiation of operations for Newmont and Sumitomo at the Batu Hijau copper and gold mine on the island of Sumbawa in Indonesia.

## Appointment of PNG Country Manager



Since the end of the quarter Marengo has announced the appointment of Mr Stevie T.S. Nion to the newly created position of PNG Country Manager, further strengthening its executive management team.

Mr Nion is a geologist by profession and has more than 30 years experience in the PNG mining industry. During that time he has held a number of senior government positions, including Chief Government Geologist and Director of the Geological Survey, Deputy (and Acting Secretary) of the former PNG Department of Mining, and since 2007, inaugural Deputy General Manager – Minerals for PNG government mining company, Petromin PNG Holdings Limited. He holds a Bachelor of Science (Geology) from the University of Papua New Guinea, a Master of Science (Geology) from Sydney University and a Master in Management Studies from the Papua New Guinea University of Natural Resources and Environment (formerly the University of Vudal).

Reporting to Marengo's Managing Director, Mr Nion is based in the Company's recently opened office in PNG's national capital, Port Moresby. He will be responsible for managing Marengo's corporate affairs in Papua New Guinea, including progressing matters with PNG National and Provincial Government departments, and agencies, strategic partners, and other stakeholders.

## New Website Launched

In parallel with this release the Company has launched a new website. This functional site contains up to date information on Marengo, its people, its project and its plans.

In addition, it contains revised Corporate Governance policies, capital structure details and a corporate directory.

The website can be accessed at [www.marengominig.com](http://www.marengominig.com)

## Cash Reserves

As at the date of this report the Company has cash reserves of A\$24.5M (C\$25.8M).

A handwritten signature in black ink, appearing to read 'Les Emery'.

**Les Emery**  
Managing Director/CEO

30 July 2012

[www.marengominig.com](http://www.marengominig.com)

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## ABOUT MARENGO MINING

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

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

Since 2007 Marengo has successfully raised over A\$150M, underpinning the current Feasibility Study (FS) and exploration programs, on the Yandera Project.

The Yandera Project is one of the Asia Pacific's largest undeveloped copper resources. Marengo is currently completing its FS on the Yandera Project to provide the foundation for financing the development of a large scale, long life mining and processing operation. Ore production is targeted to commence at 25Mtpa, with a projected mine life of at least 20 years.

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

## 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.

Drill samples were analysed by Intertek Group Laboratories, Jakarta, Indonesia and by Genalysis & Intertek Laboratories, Perth, Western Australia.

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 April 2012) which is available on the Company's website and at the (Canadian) SEDAR website.

It should be noted that the Memorandum of Understanding between Marengo and NFC referred to in this report is non-binding and that no party is under any obligation to proceed. Accordingly, there is no certainty that a transaction will proceed.

It should be noted that the Investment and Co-operation Agreement between Marengo and Petromin, referred to in this report is non-binding on Petromin and that Petromin is not under any obligation to proceed. Accordingly, there is no certainty that a transaction will proceed.

The section of this report relating to the Yandera Mineral Resource Estimate was prepared from information by Mr Stephen Hyland of Ravensgate Minerals Industry Consultants and Mr Karl Smith of Karl Smith Mine and Geology Consulting. Mr Hyland and Mr Smith are Fellows of the Australasian Institute of Mining and Metallurgy and both have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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 Hyland and Mr Smith consent to the inclusion in this announcement of the matters based on this information, in the form and context it appears.

The updated mineral resource estimate and the resource estimate for the by-product metals and all other scientific and technical information contained in this news release (including Appendix B) were prepared by or under the supervision of Mr Stephen Hyland, Principal Consultant Geologist, Ravensgate Minerals Industry Consultants and Mr Karl Smith of Karl Smith Mine and Geology Consulting. Mr Hyland and Mr Smith are "Qualified Persons" as defined by National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"). Mr Hyland and Mr Smith are independent of Marengo Mining Limited (Marengo), as such terms are defined in NI 43-101. Mr Hyland and Mr Smith have read and approved the contents of this news release (including the Appendices hereto). Mr Hyland and Mr Smith verified the data disclosed and the underlying information contained in this news release. The effective date of the updated mineral resource estimate and the resource estimate for the by-product metals is April 12, 2012. The method used to verify the data was similar to that described in Marengo's technical report filed on SEDAR and dated November 9, 2007. The key assumptions, parameters and methods used to estimate the mineral resources are as set out in Appendix A hereto. The estimate of mineral resources are not materially affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

The contents of this release have been approved by Mr. Paul J Kreppold, BEng(Hons) MEngst LLB FIE(Aust) CPEng, a "Qualified Person" as set out in National Instrument 43-101 (NI43-101) by reason of education, affiliation with a professional association (as defined in NI43-101) and past relevant work experience. For further information on Mr. Kreppold please refer to the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* compliant technical report, **SECTION 29. CERTIFICATES OF QUALIFIED PERSONS**, in connection with the updated resource filed concurrently on the SEDAR website attached to this release.

For further information on the Yandera Project, including a description of Marengo's standard data verification processes, quality assurance and quality control measures, and details of the key assumptions, parameters and methods used to estimate the mineral resources set out in this report and the extent to which the estimate of previously declared mineral resources set out herein may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or relevant issues, readers are directed to the technical report entitled "Technical Report on the Yandera Copper-Molybdenum-Gold Project Madang Province, Papua New Guinea", dated May 14, 2012, lodged concurrently on the SEDAR website (or attached to this release). The resources disclosed herein are preliminary in nature and include inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them to be categorized as mineral reserves. There is no certainty that the mineral resources disclosed herein will be realized or converted to mineral reserves. Mineral Resources which are not mineral reserves do not have demonstrated economic viability.