



Ship-loader - Madang Port, PNG

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

KEY POINTS

Project Development

- 📍 Acquisition of Port Area at Madang for concentrate export
- 📍 Feasibility Study nears completion
- 📍 Numerous outstanding infill drilling results from the Yandera Central Porphyry confirms zones of higher grade mineralization including:

Omora 198m @ 1.01% Cu, 126m @ 0.92% Cu, 159m @ 0.90% Cu

Gremi 219m @ 0.84% Cu, 141m @ 0.90% Cu, 81m @ 0.81% Cu

Imbruminda 158m @ 0.68% Cu

Exploration

- 📍 A single diamond drill hole at the Dimbi zone intersects 81 metres @ 0.44% Cu 207 ppm Mo and 0.19 g/t Au
- 📍 An exploration diamond drill hole at the Dirigi Prospect intersects 24m @ 0.33% Cu
- 📍 Active sampling programs within the Yandera Project area at Yomi and Yakumbu

Corporate & Financial

- 📍 Announcement of Restructure for Redomicile to Canada
- 📍 Announcement of new Chairman-elect for the Company
- 📍 Appointment of new Directors
- 📍 Cash balance of A\$16.4M/(C\$16.9M)



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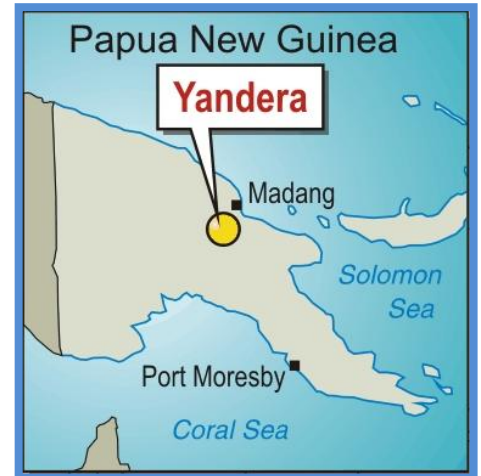


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Strategic Partners

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, and oil & 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. Following this, 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 (FS) on the Yandera Project. This work is running in parallel with the completion of an Environmental Impact Assessment (EIA) for submission to the PNG Department of Environment and Conservation.

It is anticipated that these documents will be completed following internal reviews during the current quarter, ahead of pricing an Engineering Procurement and Construction contract (EPC), to be submitted by the Company's Chinese strategic engineering partner, NFC.

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, 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 management facility (TMF) 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 along a planned road, which will extend up to the Yandera site from these existing roads.

The current FS is being completed by a team of experts, from Marengo, Arcon Mining Services (Arcon) and many other Australian and international consultants. In parallel to this activity and under the Company's arrangements with NFC, for the financing, construction and development of the Yandera Project, NFC and Arcon (a member of the Allmine Group) are completing the detailed process engineering design work. This activity, which is independent of work on the FS, is designed to provide Marengo with a fixed price, lump sum EPC contract pricing by the end of 2012.

This work is being undertaken by NFC and one of NFC's related design institutes in China, with Australian based Arcon providing supporting engineering services to NFC.



Drilling (Yandera Central Porphyry)

Drilling continued throughout the quarter with three rigs on site, with one rig on a 29 hole in-fill drilling program within the Yandera Central Porphyry and two rigs on the regional exploration program around Dirigi Mountain. This latter drilling program is partly to satisfy the sterilisation needs for sitting of the waste rock dump and TMF in the Tai-Ayor river valley. Below are assay results from the in-fill program carried out over the Yandera Central deposit. These results confirm the presence of high grade mineralisation at Gremi, Imbruminda and Omora.

YD502 (Gremi)

Collar 292986E 9364966N Azimuth (AMG) 227@ -62; E.O.H 237.7 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	237.7	234.7	0.50	84	0.10	1.86
The above broad intersection contains the following:						
3	66	63	0.77	161	0.22	3.07
144	186	42	0.60	55	0.08	1.79
210	237.7	27.7	0.62	76	0.06	1.23

YD505 (Gremi)*Collar 292989E 9364969N Azimuth (AMG) 052 @ -64; E.O.H 225.0 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	237.7	234.7	0.50	84	0.10	1.86
The above broad intersection contains the following:						
3	66	63	0.77	161	0.22	3.07
144	186	42	0.60	55	0.08	1.79
210	237.7	27.7	0.62	76	0.06	1.23

YD506 (Gremi)*Collar 293092E 9364897N Azimuth (AMG) 047 @ -60; E.O.H 189.0 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	189	186	0.53	299	0.12	1.92
The above broad intersection contains the following:						
36	135	99	0.74	266	0.15	2.14

YD507 (Gremi)*Collar 293028E 9364946N Azimuth (AMG) 222 @ -58; E.O.H 220.4 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	220.4	197.4	0.57	74	0.23	1.71
The above broad intersection contains the following:						
3	117	114	0.71	116	0.38	2.37
171	189	28	1.05	51	0.08	1.5

YD508 (Gremi)*Collar 293140E 9364951N Azimuth (AMG) 222 @ -55; E.O.H 312.0 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	312	309	0.61	84	0.14	3.28
The above broad intersection contains the following:						
12	153	141	0.90	154	0.26	4.26
180	198	15	1.29	103	0.09	6.22
249	267	18	0.65	16	0.04	4.98

YD509 (Gremi)*Collar 293168E 9364863N Azimuth (AMG) 222 @ -74; E.O.H 311.9 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	311.9	308.9	0.66	155	0.10	3.31
The above broad intersection contains the following:						
96	282	186	0.89	232	0.14	3.92

YD511 (Gremi)*Collar 293168E 9364863N Azimuth (AMG) 222 @ -55; E.O.H 287.9 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
87	270	183	0.61	68	0.04	3.09
The above broad intersection contains the following:						
105	141	36	1.46	148	0.07	6.08
183	204	21	0.86	105	0.05	3.73
249	270	21	0.52	111	0.03	2.89

YD512 (Gremi)*Collar 293303E 9364793N Azimuth (AMG) 222 @ -52; E.O.H 208.8 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	208.8	205.8	0.38	183	0.08	2.74
The above broad intersection contains the following:						
39	102	63	0.42	406	0.04	2.50
159	171	12	0.75	263	0.23	2.96

YD513 (Gremi)*Collar 292953E 9364979N Azimuth (AMG) 222 @ -55; E.O.H 200.7 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
4	200.7	196.7	0.51	124	0.07	2.08
The above broad intersection contains the following:						
4	30	26	0.95	42	0.13	4.06
123	156	33	0.61	263	0.10	2.08

YD517 (Gremi)*Collar 293078E 9364929N Azimuth (AMG) 042 @ -55; E.O.H 162.0 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	162	159	0.47	210	0.14	2.64
The above broad intersection contains the following:						
30	102	99	0.54	177	0.20	3.76

This hole assayed well along its entire length with a noticeable Au zone within the upper two thirds of the hole.

YD520 (Gremi)*Collar 292874E 9365070N Azimuth (AMG) 215 @ -55; E.O.H 241.6 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
102	147	45	0.48	102	0.08	1.15
174	195	21	0.66	108	0.03	4.17

YD477 (Omora)*Collar 293384E 9363971N Azimuth (AMG) 215 @ -60; E.O.H 302.9 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
258	302.9	44.9	0.42	118	0.02	3.37

YD480 (Omora)*Collar 293327E 9363956N Azimuth (AMG) 215 @ -70; E.O.H 386.6 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
90	288	198	1.01	742	0.03	3.35
The above broad intersection contains the following:						
90	177	87	1.18	470	0.02	2.13
243	288	45	1.15	1095	0.07	6.47

YD484 (Omora)*Collar 293232E 9363839N Azimuth (AMG) 035@ -75; E.O.H 300.0 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
111	273	162	0.42	1793	0.02	2.24
The above broad intersection contains the following:						
111	159	48	0.72	385	0.04	4.09
192	249	57	0.42	3401	0.02	2.09

This hole is characterised by Mo assay results well above the average commonly encountered at Yandera.

YD485 (Omora)*Collar 293232E 9363839N Azimuth (AMG) 035@ -55; E.O.H 303.0 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
42	207	165	1.08	381	0.03	4.96
The above broad intersection contains the following:						
75	141	66	1.80	574	0.05	5.10

YD486 (Omora)*Collar 293314E 9363755N Azimuth (AMG) 035@ -60; E.O.H 293.9 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
114	165	51	0.47	298	0.03	3.36

YD461 (Imbruminda)*Collar 292029E 9365757N Azimuth (AMG) 215@ -55; E.O.H 365.1 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
117	264	147	0.21	254	0.16	1.19
The above broad intersection contains the following:						
183	246	63	0.31	313	0.23	1.66

YD494 (Imbruminda)*Collar 292038E 9365609N Azimuth (AMG) 195@ -85; E.O.H 272.9 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	272.9	269.9	0.80	264	0.58	3.54
The above broad intersection contains the following:						
81	120	39	0.58	252	0.45	3.04
183	272.9	89.9	1.73	585	0.61	6.90

Drilling (Exploration)

The company's regional exploration program followed a two-pronged approach during the quarter: activities local to Yandera Central deposit to define extensions within the mineralised corridor, and activities distal to Yandera. In the first case, efforts were concentrated on the Mumnogoi - Dirigi corridor, following up on the promising mineralisation in the upper 50 m of YD475 (0.12 g/t Au, 210 ppm Mo) and assembling an interpretation of Dirigi geology prior to further drilling. Most of the drilling to date has been to satisfy the sterilisation needs for the proposed TMF.

Dirigi Mountain itself is characterised by a positive magnetic anomaly indicating the presence of an intrusive body. This intrusion may be the cause of the surface mineralisation seen in certain creeks around the flanks of the mountain. Modeling of the geophysical data is currently being undertaken to determine the depth and size of the mass to aid pre-drilling interpretations. In addition, drilling is attempting to test the geology between Omora and Dirigi, in an effort to identify further mineralising sources. Already, recent drilling (YD536) of the Tonga basin negative magnetic anomaly has encountered a strongly silicified porphyry hosting minor amounts of visible Au.



Photo of core from YD536 showing grain of Au in upper centre of the image. Width of the image is ca 2.5 cm. Host rock is a silicified granodiorite porphyry.

In addition, recent results from YD516 targeting potential structure controlled mineralisation with a soil geochemical anomaly has provided the following:

YD516 (Dirigi)

Collar 293537E 9361566N Azimuth (AMG) 055@ -60; E.O.H 401.8 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
180	204	24	0.33	56	0.01	2.93

These results show promise for further drilling in this area.

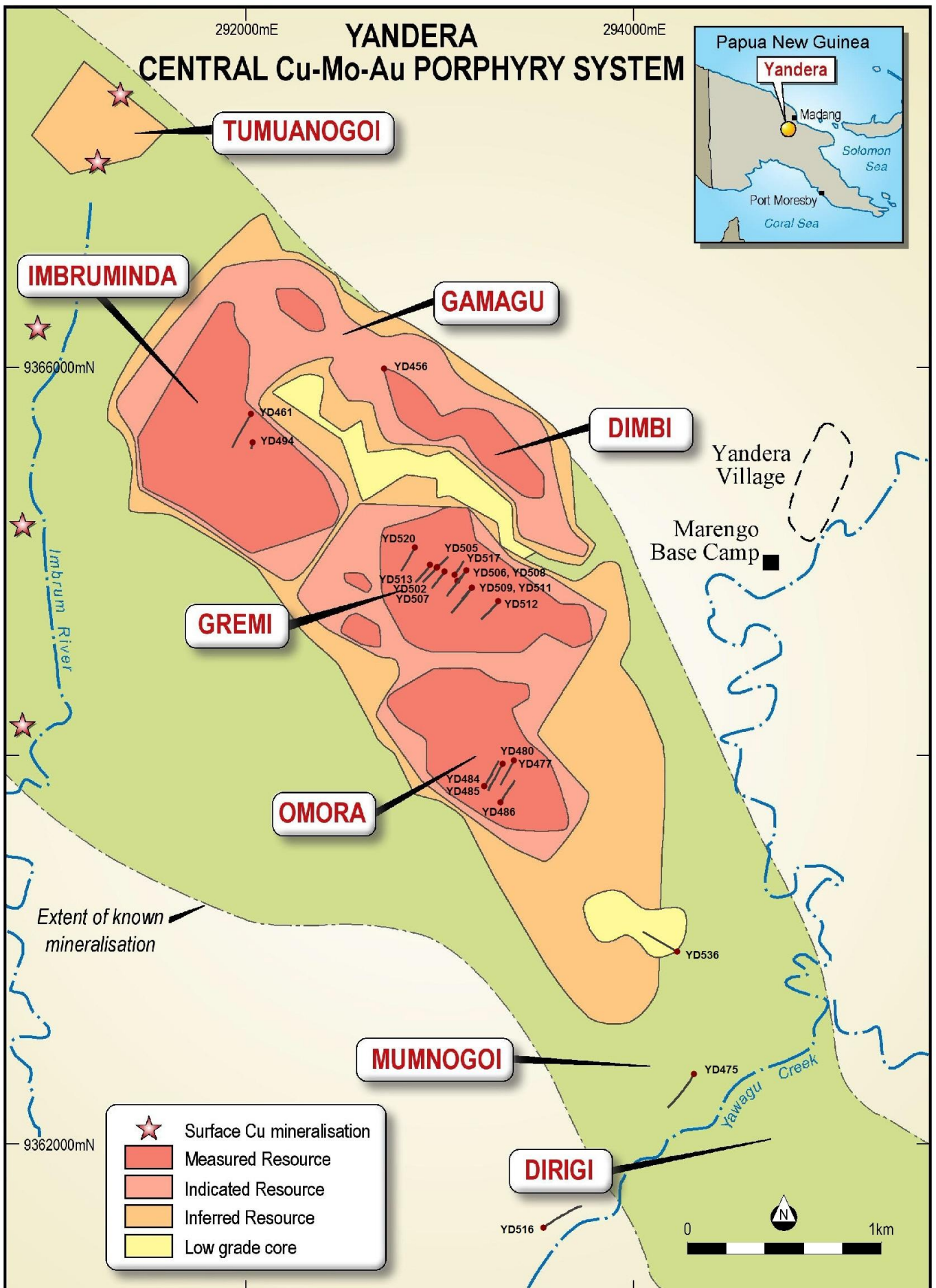
YD456 (Dimbi)

Collar 293232E 9363839N Azimuth (AMG) 035@ -75; E.O.H 300.0 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
9	90	81	0.44	207	0.19	2.70
The above broad intersection contains the following:						
48	75	27	0.73	216	0.12	2.33
Additional results from this hole include the following:						
186	300	114	0.43	149	0.06	1.94
201	219	18	0.56	333	0.09	2.08
231	258	27	0.69	95	0.07	2.43

This hole was drilled to test extensions to the Dimbi zone Mineralisation is sporadic, but shows good promise.

Figure 2 - Yandera Central Porphyry System – Drill Location Plan

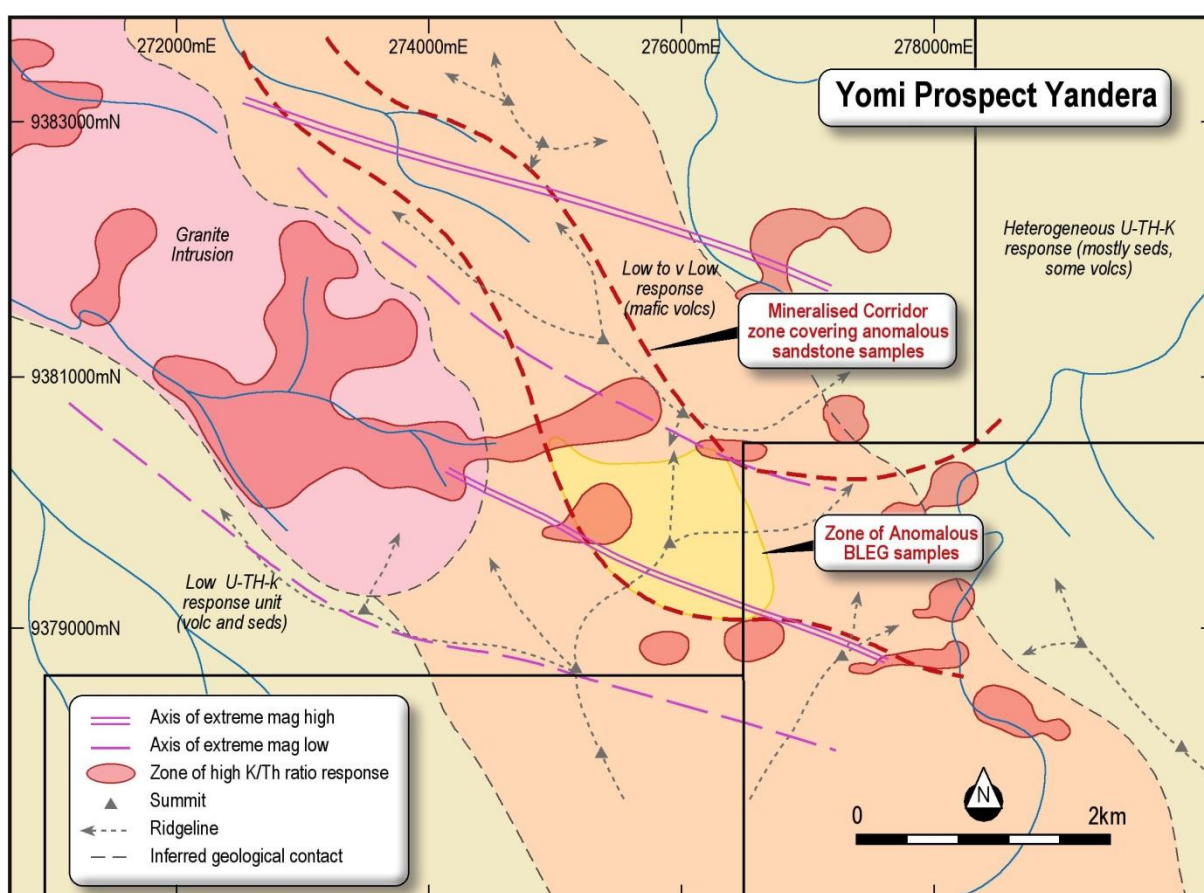


Yandera Exploration (Regional)

Regional exploration activities in other areas have seen considerable progress over the quarter. Exploration Licence 1851 at Yakumbu, along the western extremes of the Finisterre Range was covered by an extensive stream sediment program. These samples have been dispatched for assay and the results are currently awaited.

In addition, work in EL1633 at Yomi commenced and during the quarter a soil geochemical survey was completed along the principal ridges bounding the area identified for anomalous Au values from early BLEG sampling.

Benches have also been cut and sampled across the mineralised zones that are currently exploited by local small-scale miners. Samples from this work have been dispatched for assay and the results are expected before the end of the year. It is believed that the origin of mineralisation at Yomi is related to NNE-SSW structures developed in the metavolcanic country rock intruded by a NW-SE orientated body of granite.



Agreement to Acquire Madang Port Facilities

During the quarter the Company entered into an agreement to purchase control of a significant parcel of land adjacent to the Madang Port marking another key step towards possible development of its Yandera Project.

Under the terms of an agreement entered into between Marengo's subsidiary, Yandera Mining Company Limited ("YMCL") and PNG wood-chip operations company, Jant Limited, YMCL has agreed to purchase a State Lease, covering approximately 18 hectares of waterfront land, adjacent to the Madang Port. The purchase agreement also covers a ship-loader and wharf facility located on the land parcel.

The consideration for the acquisition of control of the leasehold land and ship-loader is 22,000,000 PNG Kina (approximately A\$/C\$10M), which is payable in stage payments up to 18 months from the date of the agreement, with the first payment of 500,000 PNG Kina (approximately A\$/C\$225,000) having been paid on signing.

A condition of the purchase is that YMCL will make application to the PNG Government for a replacement lease, over the land, together with any necessary rezoning, for the purpose of establishing infrastructure related to the development of the Yandera Project.

It is envisaged that the Madang site will be utilised for the following components of infrastructure for the project, including:

- Concentrate storage and shipping facilities;
- power station and associated transformers;
- office and warehouse facilities; and
- staff accommodation.



Madang ship-loader and port land

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 in 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 Environmental 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.

During the quarter, Marengo reached agreement with local landowners and the provincial authorities to establish a pilot sustainable development program, for the Yandera region. A four hectare parcel of land is currently being cleared to enable the trial planting of various crops, in order to assess those which will be able to be taken into full scale production, as part of a sustainable development program associated with the future development of the Yandera Project.

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.

CORPORATE AND FINANCIAL

Appointment of Chairman - Elect

During the quarter the Company announced the appointment of highly experienced international mining executive, Dr Louis Gignac, to its Board as a non-executive Director and Chairman-elect after the Company's founding Chairman, Mr John Horan, advised his intention to retire from the Board following the Company's Annual General Meeting on 8 November 2012.

Dr Gignac is Canadian-based and is currently President of G Mining Services Inc., a private consultancy which has managed feasibility studies and mine development for multiple projects in North America, South America, Western Africa and Eastern Europe.

He previously served as President, Chief Executive Officer and Director of Cambior Inc. from its creation in 1986 until its acquisition by IAMGOLD Corporation in 2006. Prior to that, he held senior executive positions with Falconbridge Copper Company and Exxon Minerals Company, and also served as Professor of Mining Engineering at Laval University, Quebec.

During his professional career, Dr Gignac has been involved in the development and operations of some 14 mines throughout the Americas.

He is currently Chairman of St Andrew Goldfields Limited and serves as a Director of Domtar Corp, and Franco-Nevada Corporation. He was previously Chairman of the highly successful ASX-listed resource company Andean Resources Ltd, until its takeover by Goldcorp for \$3.6 billion. Dr Gignac has also been recently appointed to The Sentient Council, an advisory body to The Sentient Group, a global investment fund and Marengo's major shareholder.

Dr Gignac holds a Doctor of Engineering from the University of Missouri-Rolla, a Masters in Mineral Engineering from the University of Minnesota and a Degree in Mining Engineering from Laval University.

Retiring Chairman, Mr John Horan has been Marengo's Chairman since 2002 and oversaw its listing on the Australian Securities Exchange in 2003 and its subsequent listings on PNG's Port Moresby Stock Exchange, and the Toronto Stock Exchange.

Retirement and Appointment of Directors

Since the end of the quarter the Company announced further changes to its Board, with the appointment of three experienced non-executive Directors, including two Toronto-based Directors. In addition the Company announced that two long-serving Directors, Dr Douglas Dunnet and Ms Susanne Sesselmann, were stepping down from the Board.

The changes are designed to ensure that the Board has an appropriate balance of skills and expertise as Marengo moves towards possible production.

Dr Dunnet, who was one of Marengo's founding Directors, advised of his retirement from the Board, while **Ms Sesselmann**, who was a representative of Marengo's major shareholder The Sentient Group, was replaced by Mr Ian Hume, who was one of the founding partners of The Sentient Group.

The two new Canadian-based Independent Directors are senior mining executives Mario Caron and Keith Morrison.

Mr Caron, a Mining Engineer, is currently President and CEO of Aldridge Minerals Inc., a near-development stage mining company focused on a polymetallic VMS deposit in Turkey. He was previously President and CEO of West African-focused exploration and development company Axmin Inc., as well as Tiberon Minerals Ltd, developer of the Nui Phao tungsten-fluorspar deposit in Vietnam.

His previous roles included senior executive positions with Defiance Mining Corporation, PricewaterhouseCoopers Securities and Eden Roc Mineral Corp.

Mr Morrison is a prominent Canadian-based mining entrepreneur with over 30 years of international experience and an accomplished background in strategy, finance, exploration, technology, global operations, capital markets and corporate development. He co-founded two significant Canadian-based success stories, Quantec, a world-leader in deep sub-surface imaging technologies, and QGX, a Canadian-based exploration company which operated in Mongolia prior to its acquisition for \$300 million. He is currently Chief Executive Officer of Gedex Inc., a private exploration data technology company.

Mr Hume has more than 30 years' experience in the natural resource industry, primarily in the fields of managed fund investments, capital raising and project development. He was a founding partner of The Sentient Group, a manager of closed end private equity funds, specialising in global investments, in the natural resource sector. Since its inception, The Sentient Group has raised over US\$2.6 billion for its investment funds.

Following his retirement from the Group in 2008 he was appointed to The Sentient Council, an advisory body to The Sentient Group.

Prior to the establishment of The Sentient Group, Mr Hume was a partner in Bain & Co for a number of years and a strategic consultant to AMP's Private Capital Division, working on the development of a number of Chilean mining investment joint ventures, as well as advising on a number of specific investments across a range of commodities and locations. He was a Director of Andean Resources until its acquisition by Goldcorp, and Norsemont Mining until its acquisition by Hudbay Minerals Inc. He is currently a Director of Golden Minerals Company, Iron Road Limited and Silver City Minerals Limited.

Proposed Re-Domicile of Marengo Mining Limited

During the quarter Marengo announced that, subject to shareholder and regulatory approvals, it proposes to restructure the Company to redomicile to Canada by way of a Scheme of Arrangement. The redomicile will not result in any changes in Marengo's management, operations or strategy and its shares will trade under the same symbols as the Marengo shares trade at present.

Marengo is currently domiciled in Australia. In the context of the Marengo Group's current operations and plans for expansion, the Marengo Board of Directors has determined that the redomicile is in the best interests of shareholders and the Board believes that the redomicile will better position the Group to realise its strategic goals.

Potential advantages of the redomicile are:

- A greater ability to raise debt and equity.
- Improved market sentiment and profile.
- Access to a market more receptive to mining projects in Papua New Guinea.
- Exposure to larger and more diverse investment markets.
- It is consistent with Marengo's growing international shareholder base and improves the potential for further international investor interest.

To effect the redomicile, a Scheme of Arrangement ("Scheme") is proposed, under which shareholders will be offered pro-rata equity in a new Canadian incorporated company, specifically incorporated to which will ultimately be named Marengo Mining Limited. There will be no effect on the assets and liabilities of Marengo upon completion of the restructure.

The redomicile is expected to be completed by late 2012 and will only proceed if the restructure is approved by Marengo shareholders and the Supreme Court of Western Australia.

Shareholders will receive detailed information about the restructure and the listings shortly. The required shareholders meetings has been set down for 6 December 2012.

General Meeting – 12 October 2012

Since the end of the quarter a General Meeting of shareholders was held on 12 October 2012, to consider two resolutions. Both resolutions were passed at this meeting.

Annual General Meeting - 8 November 2012

The Company's Annual General Meeting is scheduled to be held at 4.00pm (AWST) on Thursday, 8 November 2012, at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

Cash Reserves

As at the date of this report the Company has cash reserves of A\$16.4M/(C\$16.9M).



Les Emery
Managing Director/CEO

31 October 2012

www.marengominig.com

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CORPORATE DIRECTORY

DIRECTORS

John Horan (Retiring 8 Nov 2012)
Chairman

Louis P. Gignac (Appointed 27 September 2012) *Chairman-elect*

Les Emery
Managing Director/CEO

Doug Dunnet (Retired 4 October 2012)
Non-Executive Director

Sir Rabbie Namaliu
Non-Executive Director

Susanne Sesselmann (Retired 4 October 2012) *Non-Executive Director*

Ian Hume (Appointed 4 October 2012)
Non-Executive Director

John W Hick
Non-Executive Director

Elizabeth Martin
Non-Executive Director

Mario Caron (Appointed 4 October 2012)
Non-Executive Director

Keith Morrison (Appointed 4 October 2012)
Non-Executive Director

CHIEF OPERATING OFFICER

Paul Korpi

CHIEF FINANCIAL OFFICER

Mark Churchward

COMPANY SECRETARIES

Mark Churchward
John Ribbons

PNG COUNTRY MANAGER

Stevie Nion

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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 were prepared by Mr Frederick Cook. Mr Cook is a Fellow of the Australasian Institute of Mining and Metallurgy and a full-time employee of Marengo Mining Limited. Mr Cook 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 Cook 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.

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.

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.

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.