



*Uha River Bridge - Yandera*

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

## KEY POINTS

### Yandera Project Development

- 📍 EPC pricing from strategic partner NFC imminent
- 📍 Feasibility optimization underway, scheduled for release in March 2013
- 📍 Further drilling results appear to confirm potential for high-grade starter zones including:

#### Imbruminda:

- 416m @ 0.42% Cu including 48m @ 1.06% Cu, 1.52 Au g/t 6m from surface
- 48m @ 0.47% Cu & 0.26% Au g/t and 24m @ 0.49% Cu & 0.38 Au g/t

#### Gremi:

- 138m @ 0.49% Cu, 177m @ 0.45% Cu, and 102m @ 0.66% Cu 3m from surface
- 204m @ 0.58% Cu from 36m including 39m @ 1.28% Cu

### Exploration

- 📍 Positive gold results from rock chip sampling at Yakumbu Prospect
- 📍 Drill intersection of 90m @ 0.20% Cu and 137ppm Mo at Mumnogoi/Dirigi

### Corporate & Financial

- 📍 Re-domicile of Marengo to Canada implemented
- 📍 Appointment of new Chairman and other Board changes
- 📍 Cash balance of A\$5.5M (C\$5.8M)

#### Registered Office

c/- Fraser Milner Casgrain  
77 King Street West, Suite 400,  
Toronto-Dominion Centre,  
Toronto ON, M5K 0A1, CANADA  
Phone: +1 416 863 4732  
Fax: +1 416 863 4592  
Email: [marengo@marengomining.com](mailto:marengo@marengomining.com)  
Website: [www.marengomining.com](http://www.marengomining.com)

#### Perth Office

Level 1, 9 Havelock Street, West Perth  
Western Australia 6005  
AUSTRALIA  
PO Box 289, West Perth Western Australia 6872  
Phone: +61 8 9429 0000  
Fax: +61 8 9429 0099  
Email: [marengo@marengomining.com](mailto:marengo@marengomining.com)  
Website: [www.marengomining.com](http://www.marengomining.com)

#### Port Moresby Office

Suite 2, Level 2,  
Ela Beach Tower  
Bramell Street, Port Moresby 121, PNG  
PO Box 344, Port Moresby, NCD, PNG  
Phone: +675 343 4956 or 321 1544  
Fax: +675 321 6636  
Email: [carolinep@marengomining.com](mailto:carolinep@marengomining.com)  
Website: [www.marengomining.com](http://www.marengomining.com)

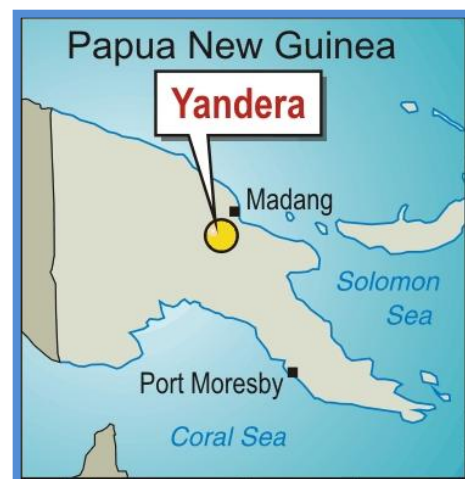
#### Madang Office

Guard Dog Complex  
Komoklon Crescent, Newtown, Madang,  
PNG  
PO Box 12, Diwai, Madang 511  
Phone: +675 422 3768  
Fax: +675 422 1723  
Email: [balinaa@marengomining.com](mailto:balinaa@marengomining.com)  
Website: [www.marengomining.com](http://www.marengomining.com)

## 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 its Australian engineering partner, Arcon (WA) Pty Ltd (Arcon), these parties have agreed with Marengo to undertake the key phase of process plant design work, as well as other areas, for the Yandera Project development. This work has been undertaken at one of NFC's design institutes in China, which employs 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 with Petromin PNG Holdings Limited (Petromin). 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.

This Agreement establishes the framework for the development of a Mining Equity Agreement (MEA) under which Petromin may acquire a 30% contributing interest in the Yandera Project – after which the Mining Development Contract will be entered into and a Financial Investment Decision 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.

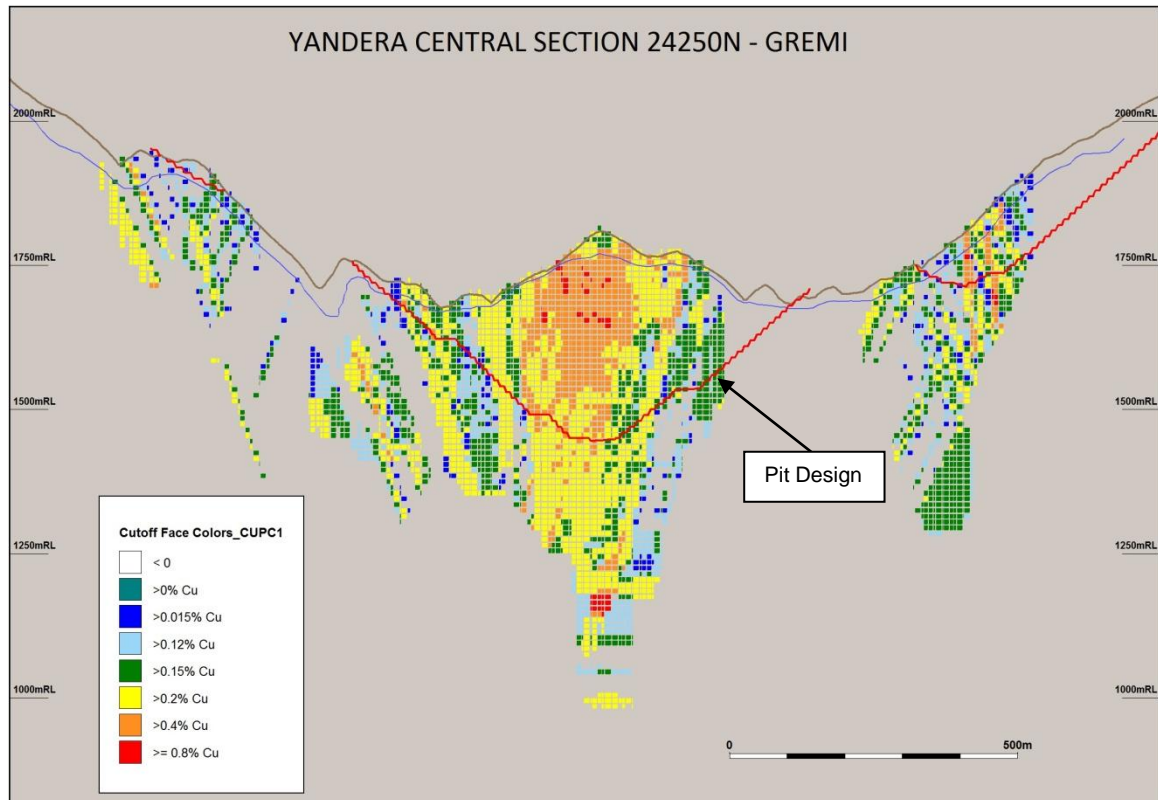
## Feasibility Study

The Company's primary focus during the December Quarter was ongoing activities relating to the completion of the 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 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 processing facility to be located at Yandera, with copper concentrate being delivered to the Company's recently acquired harbourside location, in the Madang area, by pipeline. Molybdenum concentrate will be delivered by road due to the smaller volumes of this high-value product.

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 maintained. The Company's recently acquired harbourside area in Madang port, earmarked for centralised infrastructure, including 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 FS is being completed by a team of experts drawn from Marengo, Arcon, Mining One, Coffey and other Australian and international consultants. In parallel with this, under the Company's arrangements with NFC for the financing, construction and development of the Yandera Project, NFC and Arcon are completing detailed process engineering design work. This activity, which is independent of work on the FS, is designed to provide Marengo with fixed price, lump sum EPC pricing in February 2013. This work is being undertaken by NFC and one of NFC's related design institutes in China, with Arcon providing supporting engineering services to NFC.



### Drilling (Yandera Central Porphyry)

Drilling continued at Yandera throughout the Quarter with three rigs active on site – two which completed a 29-hole in-fill diamond drill program at Imbruminda and one which undertook regional exploration drilling around Mumnogoi/Dirigi (proximal exploration). Towards the middle of the Quarter a second rig was moved from in-fill to proximal exploration drilling to fast track near-mine exploration priorities. Drilling results are summarised below:

#### YD544 (Imbruminda)

Collar 2920066E 9365649N Azimuth (AMG) 215@-75; E.O.H. 422 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
6	422	416	0.42	257	0.38	2.31

The following broad intersection contains the following:

165	213	48	1.06	483	1.52	4.13
24	315	291	0.52	334	0.51	2.58
159	315	156	0.83	266	0.75	3.69

#### YD521 (Imbruminda)

Collar 291837E 9365407N Azimuth (AMG) 215@ -60; E.O.H 284.9 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
132	180	48	0.47	34	0.26	1.26
195	231	36	0.51	21	0.20	1.52
252	276	24	0.49	21	0.38	1.51

This in-fill hole from Imbruminda is noted for three intersections of gold associated with copper.

#### YD524 (Imbruminda)

Collar 291674E 9365478N Azimuth (AMG) 215@ -65; E.O.H 261 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
99	171	71	0.35	37	0.04	1.43
213	237	24	0.34	39	0.15	0.90

**YD533 (Imbruminda)***Collar 291955E 9365476N Azimuth (AMG) 215@ -65; E.O.H 402 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
63	108	45	0.40	199	0.11	0.73
126	138	12	0.67	178	0.08	2.45
165	198	33	0.52	26	0.17	1.21
378	402	24	0.23	11	0.21	1.49

This Imbruminda hole has three polymetallic intersections finishing off with a fourth gold-rich intersection.

**YD519 (Gremi)***Collar 293206E 9364741N Azimuth (AMG) 003@ -55; E.O.H 159 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>3</b>	<b>141</b>	<b>138</b>	<b>0.49</b>	<b>139</b>	<b>0.09</b>	<b>1.85</b>
The above broad intersection contains the following:						
<b>6</b>	<b>51</b>	<b>45</b>	<b>0.63</b>	<b>222</b>	<b>0.19</b>	<b>2.44</b>
<b>57</b>	<b>87</b>	<b>30</b>	<b>0.63</b>	<b>148</b>	<b>0.04</b>	<b>1.69</b>

**YD523 (Gremi)***Collar 293242E 9364769N Azimuth (AMG) 042 @ -58; E.O.H 179.9 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>3</b>	<b>180</b>	<b>177</b>	<b>0.45</b>	<b>313</b>	<b>0.12</b>	<b>1.80</b>

**YD518 (Gremi)***Collar 293127E 9364837N Azimuth (AMG) 0.42 @ -50; E.O.H 200.7 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>66</b>	<b>144</b>	<b>78</b>	<b>0.82</b>	<b>664</b>	<b>0.33</b>	<b>2.96</b>

**YD514 (Gremi)***Collar 293077E 9364926N Azimuth (AMG) 222 @ -60; E.O.H 204 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>3</b>	<b>105</b>	<b>102</b>	<b>0.66</b>	<b>17</b>	<b>0.07</b>	<b>3.49</b>
<b>171</b>	<b>204</b>	<b>33</b>	<b>0.60</b>	<b>32</b>	<b>0.04</b>	<b>3.35</b>

**YD515 (Gremi)***Collar 292954E 9364982N Azimuth (AMG) 0.42 @ -61; E.O.H 206.9 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>3</b>	<b>54</b>	<b>51</b>	<b>0.78</b>	<b>78</b>	<b>0.23</b>	<b>4.32</b>
72	99	27	0.61	80	0.28	2.33

**YD525 (Gremi)***Collar 293121E 9364834N Azimuth (AMG) 220 @ -65; E.O.H 240 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
<b>36</b>	<b>240</b>	<b>204</b>	<b>0.58</b>	<b>84</b>	<b>0.08</b>	<b>2.09</b>
The following broad intersection contains the following:						
<b>93</b>	<b>132</b>	<b>39</b>	<b>1.28</b>	<b>140</b>	<b>0.27</b>	<b>4.14</b>

**Drilling (Proximal Exploration)**

Regional exploration activities during the Quarter continued at two separate exploration areas – "near-mine" exploration around Mumnogo/Dirigi and south-westerly extensions to Omora in the Tai-Ayor valley.

Surface mapping work, and a number of holes were progressed. Results to date have not led to the identification of any mineralised extensions, although an interesting area of copper/molybdenum mineralisation around Mumnogoï has been identified as demonstrated by the following assay results. Further work will follow this up.

**YD528 (Mumnogoï)**

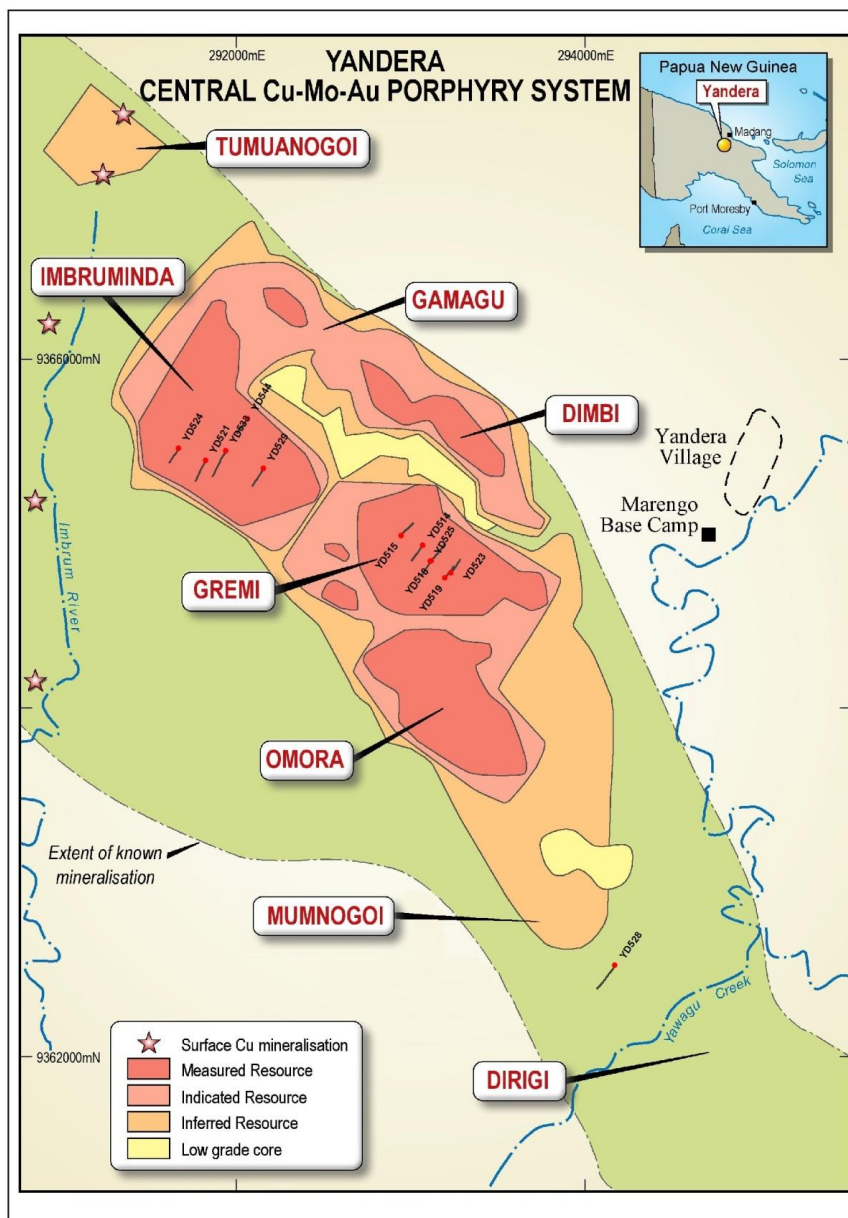
*Collar 294174E 9362516N Azimuth (AMG) 220@ -60; E.O.H 347.2 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
126	216	90	0.20	137	0.01	1.49

**Regional Exploration**

The regional exploration program has seen continued activity in the Yomi area (EL 1633) with further mapping and sampling in progress. Work in this area drew to a close by the end of November with a move to data interpretation during the forthcoming wet season. Assay data received to date have allowed elimination of certain areas from the prospect. In addition, rock chip samples from EL1851 Yakumbu have returned promising gold results and these anomalous results will be followed up in 2013.

**Yandera Central Porphyry System – Drill Location**





## 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.

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.

In collaboration with independent anthropologist Dr. Laura Zimmer-Tamakoshi, the Company is pleased to report that the second booklet on the Gende community, "Growing Up Gende", has now been printed and made available for the local schools and communities, as well as on the Marengo website [www.marengomining.com](http://www.marengomining.com)

## 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 there was no significant safety or environmental incidents during the Quarter. The focus of all activities carried out by Marengo staff and consultants is to work safely, and a dedicated health and safety management team is 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 the pilot sustainable development program, aimed at educating members of local communities to develop new and improved crops, continued. A four hectare parcel of land has been 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.



## Redomicile of Marengo Mining Limited

During the Quarter, Marengo completed its restructure to Canada by way of a Scheme of Arrangement. The redomicile will not result in any changes in Marengo's management, operations or strategy.

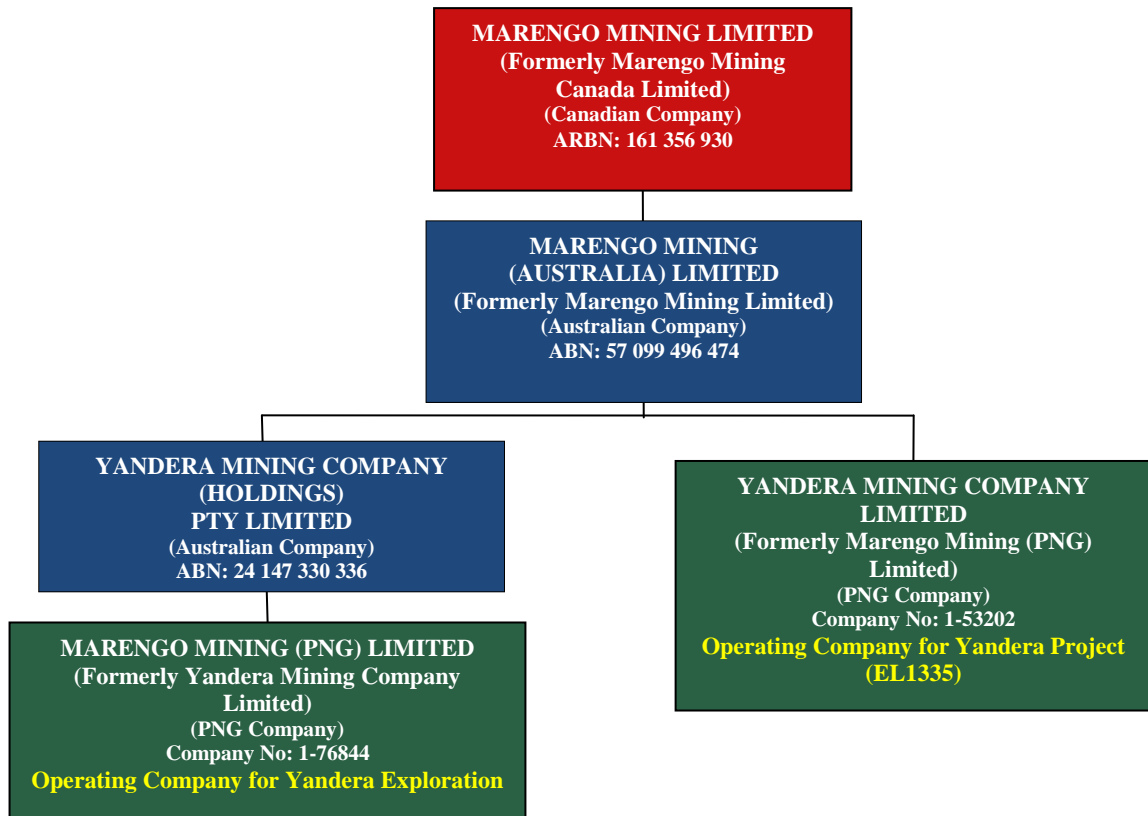
The Marengo Board of Directors has determined that the redomicile is in the best interests of shareholders and believes it will better position the Group to realize its strategic goals.

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; and
- It is consistent with Marengo's growing international shareholder base and improves the potential for further international investor interest.

Following the redomicile, the Company's trading code ("ticker") on both the ASX and the POMSx is **MMC**. Marengo's trading code ("ticker") on the TSX is **MRN**.

Despatch of holding statements to the scheme participants pursuant to implementation of the scheme occurred on 16 January 2013.



## Appointment of Chairman

During the Quarter, the Company announced the appointment of highly experienced international mining executive, Louis Gignac, to its Board as a non-executive Director and Chairman. Mr. 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, Mr. 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. He 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.

Mr. 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.

As previously reported, former Chairman Mr John Horan stepped down from the Board following the Annual General Meeting held on 8 November 2012.

## Appointment of Non-Executive Directors

Also during the Quarter, the following Non-Executive Directors were appointed.

**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.



## Cash Reserves

At Quarter end, the Company had cash reserves of A\$5.5M (C\$5.8M).



**Les Emery**  
President/CEO

31 January 2013

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

**North America:**  
Victoria Russell  
Investor Relations  
Tel: +1 416 644 8680  
Email: [investor@marengominig.com](mailto:investor@marengominig.com)

**Australia:**  
Dean Richardson  
Vice President - Investor Relations  
Tel: +61 8 9429 0000  
Email: [deanr@marengominig.com](mailto:deanr@marengominig.com)

## CORPORATE DIRECTORY

### DIRECTORS

**Louis Gignac**  
*Chairman*

**Les Emery**  
*President/CEO*

**Sir Rabbie Namaliu**  
*Non-Executive Director*

**Ian Hume**  
*Non-Executive Director*

**John W Hick**  
*Non-Executive Director*

**Elizabeth Martin**  
*Non-Executive Director*

**Mario Caron**  
*Non-Executive Director*

**Keith Morrison**  
*Non-Executive Director*

**CHIEF OPERATING OFFICER**  
Paul Korpi

**CHIEF FINANCIAL OFFICER**  
Mark Churchward

**COMPANY SECRETARY**  
Sander Grieve

**COMPANY NUMBER**  
822513-3

### ARBN

161 356 930

### PNG COUNTRY MANAGER

Stevie Nion

### PRINCIPAL OFFICE

Level 1  
9 Havelock Street  
West Perth WA 6005  
Australia

Telephone: +61 8 9429 0000  
Facsimile: +61 8 9429 0099

Website: [www.marengominig.com](http://www.marengominig.com)  
Email: [marengo@marengominig.com](mailto:marengo@marengominig.com)

### POSTAL ADDRESS

PO Box 289  
West Perth WA 6872  
Australia

### STOCK EXCHANGE LISTINGS & CODES

Canada	- TSX	MRN
Australia	- ASX	MMC
PNG	- POMSoX	MMC

### INVESTOR RELATIONS (NORTH AMERICA)

**Victoria Russell**  
Telephone: +1 416 644 8680  
Email: [investor@marengominig.com](mailto:investor@marengominig.com)

**INVESTOR RELATIONS (AUSTRALIA)****Dean Richardson**

Telephone: +61 8 9429 0000

Email: [deanr@marengomining.com](mailto:deanr@marengomining.com)**AUDITORS****Pricewaterhouse Coopers**

Brookfield Place

125 St Georges Terrace

Perth WA 6000

Australia

Telephone: +61 8 9238 3000

Facsimile: +61 8 9488 4784

**SHARE REGISTRY - CANADA****Computershare Investor Services Inc**

100 University Ave

9<sup>th</sup> Floor, North Tower

Toronto, Ontario M5J 2Y1

Canada

**Telephone:**

Toll free: 1800 564 6253

Outside North America: +1 514 982 7555

**Facsimile:**

Toll free: 1866 249 7775

Outside North America: +1 416 263 9524

Email: [service@computershare.com](mailto:service@computershare.com)**SHARE REGISTRY - AUSTRALIA****Computershare Investor Services Pty Ltd**

Level 2, 45 St Georges Terrace

Perth WA 6000

Australia

**Telephone:**

Toll free: 1300 550 839

Outside Australia: +61 3 9415 4000

**Facsimile:**

+61 8 9323 2033

Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)**SHARE REGISTRY - PNG****PNG Registries Ltd**

Level 2, AON Haus, MacGregor Street

Port Moresby NCD

Papua New Guinea

Telephone: +675 321 6377

Facsimile: +675 321 6379

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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 and approved 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 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. 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.