

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Marengo Mining Limited

ABN

57 099 496 474

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(9,168)	(41,385)
(b) development	-	-
(c) production	-	-
(d) administration	(1,595)	(7,378)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	340	2,597
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	21	(126)
Net Operating Cash Flows	(10,444)	(46,292)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(163)	(562)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(163)	(562)
1.13 Total operating and investing cash flows (carried forward)	(10,607)	(46,854)

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1.13	Total operating and investing cash flows (brought forward)	(10,607)	(46,854)
	Cash flows related to financing activities		
1.14	Net proceeds from issues of shares, etc. (2)	(96)	506
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(96)	506
	Net increase (decrease) in cash held	(10,703)	(46,348)
1.20	Cash at beginning of quarter/year to date	21,842	57,324
1.21	Exchange rate adjustments to item 1.20	49	212
1.22	Cash at end of quarter (1)	11,188	11,188

- (1) On 12 July 2012, the Company completed an equity raising on the Toronto Stock Exchange (TSX) raising gross proceeds of CAD 20 million by issuing 133,333,333 ordinary shares at an issue price of CAD 0.15 per share.
- (2) "Net proceeds from issue of shares, etc" is an outflow of funds, rather than an inflow, due to timing. Costs were incurred during the June 2012 quarter in relation to an equity raising completed after quarter-end.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	286
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10,777
4.2 Development	-
4.3 Production	-
4.4 Administration	2,165
Total	12,942

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	946	1,494
5.2 Deposits at call	10,242	20,348
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	11,188	21,842

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	1,003,745,113	1,003,745,113		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,185,250	1,185,250		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	6,421,050 56,860,750 5,750,000 1,300,000 350,000 275,000 125,000 650,000 350,000 400,000 175,000 275,000	Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil	<i>Exercise price</i> Cad 8.4c Cad 11.6 50c 25c 25c 25c 25c 25c 22c 32c 19c 24c	<i>Expiry date</i> 11/08/2012 11/08/2013 15/08/2013 18/12/2013 31/03/2014 30/11/2014 22/03/2015 31/03/2015 25/10/2015 23/02/2016 10/11/2016 24/02/2017
7.8 Issued during quarter				
7.9 Exercised during quarter	1,185,250	Nil	Cad 11.6	11/08/2013
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 31 July 2012

(Company secretary)

Print name: **Mark Churchward**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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