



**MARENGO**  
MINING LIMITED



**WORKING TO UNLOCK THE MINERAL  
TREASURES OF PAPUA NEW GUINEA**



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*Marengo Mining Limited, through its PNG subsidiary, Marengo Mining (PNG) Limited is proud to be participating in the development of Papua New Guinea's mineral resources.*



## YANDERA PROJECT *Madang Province, PNG - Marengo 100%*

### *Porphyry copper – molybdenum – gold*



The Yandera porphyry system contains one of the largest undeveloped porphyry copper-molybdenum-gold deposits in the south-west Pacific region.

Some 100,000 metres of diamond drilling (over 330 drill holes) have now been completed on the Yandera Central Porphyry System.

The Yandera project area covers some 1,900 square kilometres and contains many other under explored prospects with the potential for further porphyry copper-molybdenum-gold deposits and epithermal gold systems.

Marengo is currently completing a Definitive Feasibility Study (DFS) on the Yandera Project, with an initial throughput target of 25 million tonnes of ore per year to be processed, based on an initial 20 year mine life.

In October 2010, Marengo entered into a non-binding agreement with one of China's leading construction and engineering groups, China Nonferrous Metal Industry's Foreign Engineering and Construction Co. Ltd ("NFC").

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

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

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

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

Successful development of the Yandera Project, will see Marengo entering world markets in 2014.

*Marengo Mining Limited (ASX and POMSoX Code: MGO, TSX Code: MRN) offers an excellent opportunity to benefit from an active and focused approach to exploration and development.*



YANDERA CENTRAL PORPHYRY



MOU SIGNING CEREMONY - BEIJING OCTOBER 2010



## PNG PROJECT LOCATION MAP



Marengo has now positioned itself with the Yandera Copper-Molybdenum-Gold Project in Papua New Guinea (PNG) which has the potential to grow into a world class metal mine. An attractive capital structure and funds on hand give shareholders excellent leverage to the future success of Marengo.

As Australia's nearest neighbour (some 150km from Cape York Peninsula) PNG has a long history of mining, dating back to 1878 and has historically been amongst the world's largest copper and gold producers.

Located on one of the world's most dynamic tectonic zones, PNG has and continues to produce world class ore deposits, such as Bougainville, Lihir, Misima, Ok Tedi and Porgera. In addition, recent developments have seen the discovery of medium size ore deposits, including Tolukuma, Kainantu, Hidden Valley and Simberi.

Since gaining independence in 1975, PNG has, along with other nations, suffered periods of downturn in mineral exploration investment. However, in recent years there has been a strengthening of investment back into PNG. This has occurred as a result of increasing world demand for commodities, together with a change to a more favourable fiscal regime for investment.

PNG operates a parliamentary democracy, based on the Westminster model, where all major parties support private enterprise and foreign investment.

Marengo is pleased to join many existing Australian and international companies who successfully operate both exploration and mining projects in PNG.

Marengo, through its subsidiary Marengo Mining (PNG) Limited, is concentrating its efforts on this richly endowed nation.

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