MARENGO MINING LIMITED

ABN 57 099 496 474

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE QUARTER ENDED JUNE 30, 2010

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("**MD&A**") for Marengo Mining Limited ("**Marengo**" or the "**Company**") should be read in conjunction with June 30, 2010 audited consolidated financial statements (the "**Year-End Financial Statements**") and related notes thereto (together, the "**Financial Statements**"). This information is presented as of September, 23 2010. The Financial Statements (and the financial information contained in this MD&A) were prepared in accordance with the Australian equivalents of International Financial Reporting Standards ("**IFRS**").

All amounts in this discussion are expressed in Australian dollars unless otherwise indicated.

In this MD&A, references to "Company" are references to Marengo Mining Limited and its wholly-owned subsidiary, Marengo Mining (PNG) Limited.

The Financial Statements and other information about the Company and its business activities, including the Company's annual information form ("**AIF**") are available on SEDAR at www.sedar.com.

1. Overview

Marengo is an international mineral exploration and development company listed on the Australian Securities Exchange (the "**ASX**"), Port Moresby Stock Exchange Limited ("**POMSoX**") (Code: MGO) and the Toronto Stock Exchange (the "**TSX**") (Code: MRN).

The Company's principal asset is the Yandera copper-molybdenum-gold project (the "**Yandera Project**") in Papua New Guinea. The Company is currently focused on advancing the development of the Yandera Project via the completion of a definitive feasibility study ("DFS").

In July 2007, a conceptual mining study ("**CMS**") was completed in respect of the Yandera Project and, based on the positive results thereof, the Company proceeded with a definitive feasibility study **("DFS"**) on the development of the Yandera Project.

During its currency, a number of development options have been investigated and either included or discarded from the DFS for various reasons. Current key parameters of the DFS are as follows:

- an open-cut mining operation with an initial 20-year operating life;
- ore processing commencing at 25Mtpa with the ability to increase throughput over the life of the operation;
- proposed near and/or in-mine crushing of ore before being conveyed by ore slurry pipeline to a near coastal concentrator, encompassing separate copper and molybdenum flotation circuits to produce two concentrate streams;

- transportation of the copper concentrate via a slurry pipeline to the nearby seaport at Madang for drying and storage prior to shipping;

- road transport of molybdenum concentrate to the seaport of Madang;

- implementation of hydroelectric power, with a parallel heavy fuel oil backup facility;

- alternative tailings management options identified, which are still under investigation; and

- implementation of world-class environmental standards and community relations initiatives to ensure successful project development for all stakeholders.

The DFS commenced in May 2008 and is expected to be completed by the end of 2010.

2. Subsequent Events

Subsequent to the end of the quarter ended June 30, 2010, the Company successfully raised C$20.16M from its short form prospectus lodged on 22 April 2010 with the securities and regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia in connection with a best efforts offering of the Company. Other than noted no matters or circumstances have arisen since period end which will significantly affect, or may significantly affect, the state of affairs or operations.

3. Overall Performance

The Company began the financial year ended June 30, 2010 with cash reserves of $5,088,081 and successfully raised C$14.8M in August 2009. Funds expended were used to actively advance the Company's Yandera Project.

During the financial year ended June 30, 2010 the Company incurred exploration expenditures of $15,115,829 (2009: $16,034,868). In accordance with the Company's accounting policies, all exploration expenditures other than acquisition and feasibility costs, were written off as incurred resulting in a write off of $11,646,792 (2009: $11,927,121) during the year. This resulted in an operating loss after income tax for the financial year ended June 30, 2010 of $15,829,093 (2009: $15,270,043).

The Company has a cash balance of $6,984,582 as at June 30, 2010.

Details of the Company's recent exploration and development activities and overall performance are contained in the June 2010 quarterly report released on July 30, 2010 to the ASX and POMSoX, and concurrently filed under the Company's profile at www.sedar.com.

Highlights of the Company's activities for the financial year ended June 30, 2010 are set out below:

- Australian and international share placements completed to raise A$21.7M (C$21.1M);
- Yandera Definitive Feasibility study continues on track;
- Further zones of significant mineralisation intersected at Yandera Central deposit;
- Deep drilling program strikes immediate success with broad zone of mineralisation, ending in higher grade mineralisation;
- Airborne magnetic survey identifies further prospective areas within the Yandera project area.

As previously stated, the DFS commenced in May 2008 and is expected to be completed 31 December 2010.

If the DFS is positive, additional funding through a combination of equity and/or debt will be required to finance the development of the Yandera Project, including construction of plant and other infrastructure, minimum pre-strip and working capital. Alternatively the Company may elect to enter an agreement with a strategic partner to develop the project, under which arrangements the Company could sell down its equity in the Yandera Project to facilitate this arrangement.

In particular, commodity price fluctuations may significantly affect the ability of the Company to fund the development of the Yandera Project and the Company's forecasts and expectations regarding the economic viability of developing its mineral deposit. Fluctuations in commodity prices may also impact the results of operations once mining commences. The monitoring of price movements and trends for the Company's target mineral is essential to understand and monitor the viability of the Company's assets.

Copper prices have historically fluctuated significantly. The closing price as at September, 17 2010 was US$3.48/lb Cu. Between 1993 and 2007, copper prices fluctuated from a low of US$0.65/lb Cu (2001) to a high of US$4.00/lb Cu (2006).

Molybdenum prices have also historically fluctuated significantly. The closing price as at September, 17 2010 was approximately US$15.75/lb molybdenum oxide. Molybdenum prices were especially volatile during calendar 2005 and 2006 fluctuating between a high of US$40.00 per pound and a low of US$22.00/lb molybdenum oxide. Between 1993 and 2007, molybdenum prices fluctuated even more dramatically, from a low of US$5.00/lb molybdenum oxide (1999) to a high of US$50.00/lb molybdenum oxide (2005).

In addition, most of the costs incurred by the Company are denominated in Australian dollars, Canadian dollars and Papua New Guinea kina. Revenue from product sales is expected to be quoted and earned in US dollars. The relative exchange rates of these currencies therefore affect the results of the operations of the Company.

4. Selected Financial Information

The table below sets forth selected financial data relating to the Company's financial years ended June 30, 2010, June 30, 2009, June 30, 2008 and June 30, 2007. This financial data is derived from the Company's audited consolidated financial statements, which are prepared in accordance with the Australian equivalents of IFRS.

Earnings and Deficit

			Year Ended	
	June 2010	June 2009	June 2008	June 2007
	$	$	$	$
REVENUE FROM CONTINUING OPERATIONS	**160,772**	697,008	1,163,034	395,914
Other income	**-**	563,977	213,290	-
EXPENDITURE				
Depreciation expense	**(219,413)**	(197,628)	(80,938)	(46,788)
Salaries and employee benefits expense	**(1,382,773)**	(1,720,958)	(654,780)	(560,166)
Exploration expenditure	**(11,646,792)**	(11,927,121)	(11,942,889)	(6,355,390)
Corporate expenditure	**(972,495)**	(869,906)	(948,040)	(316,324)
Occupancy expenditure	**(319,227)**	(317,868)	(85,527)	(73,067)
Insurance expenditure	**(203,150)**	(241,516)	(97,947)	(70,918)
Administration costs	**(819,308)**	(897,962)	(1,033,342)	(279,845)
Share-based payment expense	**(226,156)**	(358,069)	-	(10,220)
Other expenses	**(200,551)**	-	(291,369)	(564,614)
LOSS BEFORE INCOME TAX	**(15,829,093)**	(15,270,043)	(13,758,508)	(7,881,418)
Loss per share (cents)	**(3.5)**	(5.7)	(7.3)	(7.6)

Balance Sheet

Total Assets	**25,769,730**	22,326,229	34,973,168	14,570,807
Total Liabilities	**3,326,212**	1,404,229	2,985,611	571,288
Shareholders' Equity	**22,443,518**	20,922,000	31,987,557	13,999,519

5. Results of Operations

Year ended June 30, 2010 compared to year ended June 30, 2009, June 30, 2008 and June 30, 2007

Revenue from continuing operations for the year ended June 30, 2010 was $160,772 (2009: $697,008, 2008: $1,163,034, 2007: $395,914) and is comprised primarily of interest revenue. The fluctuations from year to year are a result of the changes in the average level of cash balances held during the respective financial years.

Other income of $Nil (2009: $563,977, 2008: $213,290, 2007: Nil).

Exploration expenditure of $11,646,792 (2009: $11,927,121, 2008: $11,942,889, 2007: $6,355,390) has been consistent with the prior year. The increase from the 2007 to the 2008 financial years was primarily due to increases in the number of personnel and drill rigs at the Yandera Project.

Salaries and employee benefits expense $1,382,773 (2009: $1,720,958, 2008: $654,780, 2007: $560,166) have decreased during the year primarily due to a consulting Company Secretary and accounting support staff, plus a greater portion of expenditure being capitalised as part of exploration. During 2009 and 2008 expenditure increased due to compliance costs associated with the DFS and the Company's listing on the TSX.

Share based payments expense for the year ended June 30, 2010 of $226,156 (2009: $358,069, 2008: Nil, 2007: $10,220) resulted from that portion of the value of options issued to Directors and employees that vested during the financial year, also the option reserve increased by $287,262.

Administration, corporate and other expenditure totalled $2,734,144 for the year ended June 30, 2010 (2009: $2,524,880, 2008: $2,537,163, 2007: $1,351,556). The increase during 2009 and 2010 was a result of a capital raising completed in August 2009 and consulting Company Secretarial services, plus work performed in preparation for the Company's 2010 capital raising. The increase from the 2007 to the 2008 financial years was primarily due to the additional staff required for, and compliance costs associated with, the Company's listing on the TSX.

Marengo undertakes certain transactions denominated in foreign currencies and, as a result, is subject to volatility in exchange rates. Exchange rate exposure is managed utilising forward foreign exchange contracts. See "*Financial Instruments and Other Instruments*".

Inflation and price changes have not had a material impact on Marengo's revenues and net income or loss.

6. <u>Summary of Quarterly/Half-Yearly Results</u>

The following table sets out the financial results for the Company's most recently completed eight quarters. The financial data is derived from the Financial Statements.

Summary of Quarterly/Half-Year Results

	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter
	30 June 2010	31 March 2010	31 December 2009	30 September 2009	30 June 2009	31 March 2009	31 December 2008	30 September 2008
Total revenue	59,498	21,938	42,429	36,907	51,540	55,792	344,205	976,115
Net loss	(4,284,746)	(3,533,389)	(4,147,598)	(3,863,360)	(2,357,280)	(3,340,710)	(5,404,237)	(4,167,816)
Basic loss per share (cents)	(0.9)	(0.7)	(0.8)	(1.1)	(0.9)	(1.2)	(2.0)	(1.6)
Diluted loss per share (cents)	(0.9)	(0.7)	(0.8)	(1.1)	(0.9)	(1.2)	(2.0)	(1.6)
Cash and cash equivalents	6,984,582	12,352,849	16,898,257	21,374,297	5,088,081	8,020,072	11,302,932	19,207,764
Total assets	25,769,730	28,279,381	32,863,993	37,458,419	22,326,229	26,103,476	29,335,551	35,292,600
Total long-term financial liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Marengo became a reporting issuer in April 2008. Prior to becoming a reporting issuer in Canada quarterly financial statements had not been prepared by Marengo as they are not required under the *Corporations Act Cth* (Australia).

Marengo primarily incurs costs in Australian dollars, Canadian dollars and Papua New Guinea kina and as such is subject to exchange rate risk. During the 2010 financial year, movements in exchange rates were as follows:

	30 June 2009	30 June 2010	High – 1 July 2009 to 30 June 2010	Low – 1 July 2009 to 30 June 2010
AUD / CAD	0.9303	0.8945	0.9916	0.8577
AUD / PGK	2.1600	2.2392	2.4547	1.914
AUD / USD	0.8048	0.8482	0.9405	0.7723

7. Discussion of Cash Flows

			Year Ended	
	30 June 2010	**30 June 2009**	**30 June 2008**	**30 June 2007**
	$	**$**	**$**	**$**
Cash flows from:				
Operating activities	**(14,255,686)**	(13,974,597)	(11,743,800)	(8,006,085)
Investing activities	**(3,748,663)**	(4,373,444)	(3,533,494)	(3,111,140)
Financing activities	**19,987,600**	-	31,470,377	11,748,500

Cash outflow from operating activities was $14,255,686 (2009: $13,974,597, 2008: $11,743,800, 2007: $8,006,085) for the year ended June 30, 2010 with the majority of expenditure for all periods being related to mining properties.

Cash outflow from investing activities was $3,748,663 (2009: $4,373,444, 2008: $3,533,494, 2007: $3,111,140) for the year ended June 30, 2010. During 2010, 2009 and 2008 the majority of this expenditure related to the DFS, whilst in 2007 the major component was the acquisition of a subsidiary.

Cash inflow from financing activities was $19,987,600 (2009: Nil, 2008: $31,470,377, 2007: $11,748,500) with the main component being proceeds from the issue of shares in 2010, 2008 and 2007.

8. Discussion of Financial Position

	30 June 2010	**30 June 2009**	**30 June 2008**	**30 June 2007**
	$	**$**	**$**	**$**
CURRENT ASSETS				
Cash and cash equivalents	**6,984,582**	5,088,081	23,352,570	7,171,035
Trade and other receivables	**702,068**	479,986	828,723	461,688
TOTAL CURRENT ASSETS	**7,686,650**	5,568,067	24,181,293	7,632,723
NON CURRENT ASSETS				
Other financial assets	**468,028**	425,657	817,301	-
Plant and equipment	**760,945**	734,491	622,054	236,534
Mining properties	**16,854,107**	15,598,014	9,352,520	6,701,550
TOTAL NON CURRENT ASSETS	**18,083,080**	16,758,162	10,791,875	6,938,084
TOTAL ASSETS	**25,769,730**	22,326,229	34,973,168	14,570,807
CURRENT LIABILITIES				
Trade and other payables	**2,801,963**	918,643	2,745,003	417,244
Provisions	**524,249**	485,586	240,608	154,044
TOTAL CURRENT LIABILITIES	**3,326,212**	1,404,229	2,985,611	571,288
TOTAL LIABILITIES	**3,326,212**	1,404,229	2,985,611	571,288
EQUITY	**22,443,518**	20,922,000	31,987,557	13,999,519

Cash and Cash Equivalents

Cash and cash equivalents increased to $6,984,582 at June 30, 2010 (2009: $5,088,081, 2008: $23,352,570, 2007: $7,171,035) primarily because the Company raised funds during the financial year and expended funds in a manner consistent with its business objectives.

Trade and Other Receivables

Trade and other receivables increased to $702,068 at June 30, 2010 (2009: $479,986, 2008: $828,723, 2007: $461,688) primarily due to an increase in sundry receivables and prepayments.

Other Financial Assets

Other financial assets increased to $468,028 as at June 30, 2010 as compared to $425,657 as at June 30, 2009 (2008: $817,301) due to the recognition of the fair value of the loan to Mr Les Emery relating to a share purchase facility.

Plant and Equipment

Plant and equipment increased to $760,945 at June 30, 2010 (2009: $734,491, 2008: $622,054, 2007: $236,534) due to the purchase of fixed assets in the normal course of business.

Mining Properties

Mining properties increased to $16,854,107 at June 30, 2010 (2009: $15,598,014, 2008: $9,352,520, 2007: $6,701,550) as a result of the capitalisation of the DFS costs incurred during the financial year and favourable foreign exchange rate movements.

Trade and Other Payables

Trade and other payables increased to $2,801,963 at June 30, 2010 (2009: $918,643, 2008: $2,745,003, 2007: $417,244) primarily due to increased expenditures and timing of payments in respect of the Yandera Project.

Provisions

Provisions increased to $524,249 at June 30, 2010 (2009: $485,586, 2008: $240,608, 2007: $154,044) due to the staffing levels and wage increments.

Equity

Equity increased to $22,443,518 at June 30, 2010 as (2009: $20,922,000, 2008: $31,987,557, 2007: $13,999,519) due to a loss of $15,829,093 for the financial year and a decrease in reserves of $2,247,044 primarily due to foreign exchange rate movements.

9. Liquidity and Capital Resources

The Company's principal requirements for cash over the next twelve months will be for the development of the Yandera Project, namely completion of the DFS.

The Company had a cash balance of $6,984,582 at June 30, 2010, and subsequent to the end of the financial year the Company has raised a further C$20.16 million by the issue of 240,000,000 ordinary shares to investors.

The Company's contractual obligations are set out below:

	Payments due by Period			
Contractual Obligations – A$	**Total**	**Less than 1 year**	**1 – 5 years**	**After 5 years**
Long term Debt	-	-	-	-
Operating Leases	$1,583,055	$1,449,475	$133,580	-
Capital Lease Obligations	-	-	-	-
Purchase Obligations	-	-	-	-
Total Contractual Obligations	**$1,583,055**	**$1,449,475**	**$133,580**	**-**

As the date of this MD&A the Company has sufficient cash and cash equivalents to assist financing the exploration program and definitive feasibility study on the Yandera Project and its general administrative expenses for the ensuing twelve month period.

The Company has implemented a rigorous planning and budgeting process to help determine the funding requirements to support the Company's current operations and expansion and development plans. The Company's objective is to ensure that there are sufficient committed financial resources to meet its short term requirements. The Company's ability to continue its operations in the normal course of business is dependent upon its ability to raise additional debt and/or equity.

If the DFS is positive, additional funding through a combination of equity and/or debt will be required to finance the development of the project, including construction of plant and other infrastructure, minimum pre-strip and working capital. The success and pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at the time, the outcome of the DFS or any other relevant feasibility studies and exploration programs.

10. Financial Instruments and Other Instruments

The Company is exposed to commodity price risk and foreign exchange risk in the normal course of its business operations.

The Company has not entered into any forward sales or hedging agreements for copper or molybdenum or any other metals. The Company has no current forward currency contracts.

Currency hedges involve risks such as default by the other party, illiquidity and the extent to which the Company's assessment of certain market movements is incorrect and the risk that the use of hedges could result in losses greater than if hedging had not been used.

The risks associated with fluctuations in the price of metals and foreign exchange rates are managed by the Company's management, as determined from time to time, using detailed budgets, forecasts and mine plans, but the Company cannot guarantee the effectiveness of its present or future hedging practices.

11. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at June 30, 2010.

12. Transactions with Related Parties

On 11 June 2008, the Company entered into a loan agreement with the Managing Director, Les Emery, to lend $1,000,000 interest free for a 10 year loan term. The purpose of the loan was for Mr Emery to exercise 4,000,000 unlisted options expiring 30 November 2008. This agreement was approved by shareholders at the Company's general meeting on 28 November 2007.

The principal terms of the loan provide as follows:

- If Mr Emery's employment ceases for any reason other than death, permanent disability or removal from office, the loan becomes payable within one month of such cessation. If Mr Emery's employment ceases because of death, permanent disability or removal from office, the loan becomes payable within 6 months of such cessation. The Board retains discretion to extend these time periods;

- Any dividends must be applied to reduce the outstanding loan; and

- The loan is limited recourse. That is, in the event the shares obtained under the loan are sold for an amount less than the amount of the loan, the maximum amount Mr Emery will be required to repay is the amount of the sale proceeds. In this way, Mr Emery is protected against a decline in the Company's share price.

During January 2010 the Company sold a motor vehicle to Mr Les Emery, Managing Director. The arm's length sale price of $12,500 was determined by an external valuation, with the value being deducted from Mr Emery's annual leave balance.

13. Critical Accounting Estimates

The accounting policies that involve significant management judgement and estimates are discussed in this section. For a complete list of the significant accounting policies, reference should be made to note 1(u) of the Year-End Financial Statements.

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred except for acquisition costs which are carried forward where right of tenure of the area of interest is current and in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, an assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available.

14. Changes in Accounting Policies including Initial Adoption

Marengo has transitioned its accounting policies and financial reporting from Australian generally accepted accounting standards to IFRS, which have been applied effective 1 July 2005..

Under Australian income tax legislation, exploration expenditure is generally regarded as an immediate tax deduction. Also, under IFRS, the benefit of any carry forward tax losses cannot be brought to account in the financial statements of the Company unless realisation of the benefit is probable. As at June 30, 2010 the Company had estimated income tax losses of $65 million (2009: $58 million, 2008: $36.2 million, 2007: $13.5 million) which may be available to offset taxable income in future years. These losses are expected to be realised at an applicable company tax rate of 30%. The future income benefit of these losses will only be obtained if:

(a) the Company satisfies the same business test by carrying on the same business, at all times during the financial year in which it seeks to recuperate the loss, as it did just prior to a change in 50% or more of the ownership of the Company;

(b) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(c) the conditions for deductibility imposed by tax legislation continue to be complied with; and

(d) no changes in legislation adversely affect the Company in realising the benefit.

Recently issued accounting pronouncements and their impact on the Company's accounting policies are disclosed in Note 1(t) to the Financial Statements.

15. Risk Factors

The Company's operations and results are subject to a number of different risks at any given time. These risk factors, include but are not limited to: fluctuations in metal prices; dependence on the Yandera Project; state equity interest; additional financing; limited operating history; additional licences, permits and agreements; inherent risks of mining; political instability in developing countries; economic uncertainty in developing countries; other foreign operations risks; insurance and uninsured risks; environmental risks and regulations; government regulation; title to properties; hedging policies; competition; dependence on key personnel; currency; repatriation of earnings; no production revenues; stock exchange prices; conflicts of interest; use of inferred resources in pit optimisation study; no Canadian public market for the shares; resource estimates and lack of mineral reserves; and effecting service of process.

The Company's risk factors are discussed in detail in the Company's AIF dated 28 September 2009 which is available on SEDAR at www.sedar.com and should be reviewed in conjunction with this document.

16. Outstanding Share Data

As at 23 September 2010, the only class of shares of the Company outstanding is ordinary shares. As at 23 September 2010, the Company had 738,810,863 ordinary shares outstanding and 84,701,050 options to acquire ordinary shares at various exercise prices.

17. Corporate Responsibility for Financial Reports

The Company's Managing Director (MD) and Chief Financial Officer (CFO) are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal control over financial reporting. Access to material information with respect to the Company is facilitated by the small size of the Company's senior management team. The MD and CFO, after evaluating the effectiveness of the Company's disclosure controls and procedures as of June 30, 2010, have concluded that the Company's disclosure controls and procedures were adequate and effective to ensure that (i) material information relating to the Company is made known to them by others particularly during the period covered by this MD&A; (ii) the information required to be disclosed by the Company, its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported, within the time periods specified in securities legislation, and (ii) provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in our internal control over financial reporting for the financial year ended June 30, 2010, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

18. Cautionary Note Regarding Forward-Looking Statements

This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performances of Marengo, its subsidiaries and their respective projects, the future price of copper and molybdenum, the availability of financing as and when required, the results of the DFS, the timing and cost of developing the Yandera Project, capital, operating and exploration expenditures, costs and timing of future exploration, government regulation of mining operations, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, and limitations of insurance coverage.

Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved.

The purpose of forward-looking information is to provide the reader with information about management’s expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Marengo and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, those factors discussed in the section entitled “Risk Factors” in this MD&A.

Although Marengo has attempted to identify statements containing important factors that could cause actual actions, event or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking information contained herein is made as of the date of this document based on a number of assumptions which the Company believes are reasonable (but may prove to be incorrect). These assumptions include, but are not limited to, assumptions that there is no material deterioration in general business and economic conditions, that there is no unanticipated fluctuation of interest rates and foreign exchange rates, the supply and demand for copper and molybdenum develop as expected, that the conclusions reached in the DFS prove to be correct, that the Company receives regulatory approvals for its Yandera Project on a timely basis, that capital costs for the Company's Yandera's Project are not incorrectly estimated or affected by unforeseen circumstances and that the Company is able to hire the personnel it requires.

Except as required by law, Marengo disclaims any obligation to update any forward-looking information, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward looking information.

19. Scientific and Technical Information

Copper equivalent (CuEq) values are estimated on the basis of CuEq = Cu +[Mo x 10), i.e. copper metal @ US$2/lb and molybdenum metal @ US$20/lb. Adjustment factors to account for differences in relative metallurgical recoveries will depend upon the completion of definitive metallurgical testing. Metallurgical recoveries and net smelter returns are assumed to be 100%. By Product metal values (i.e. gold, silver and rhenium) are not incorporated in the copper equivalent value.