MARENGO MINING LIMITED

ABN 57 099 496 474

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE QUARTER ENDED 31 MARCH 2009

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 the unaudited interim consolidated financial statements of Marengo for the quarter ended 31 March 2009 (the "**Interim Financial Statements**") and with the Company's audited consolidated financial statements for the year ended 30 June 2008 (the "**Year-End Financial Statements**") and related notes thereto (together, the "**Financial Statements**"). This information is presented as of 15 May 2009. 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 project (the "**Yandera Project**") in Papua New Guinea. The Company is currently focused on advancing the development of the Yandera Project.

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.

Phase 1 of the DFS was completed in April 2008. Phase 1 contained a comparative development options analysis study for the Yandera Project and made a number of positive conclusions. Key highlights of the conclusions made in Phase 1 of the DFS are as follows:

- an open-cut mining operation for an initial 10-year time frame;
- 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 to a processing plant encompassing separate copper and molybdenum flotation circuits to produce two concentrate streams;

- transportation of the copper concentrate via slurry pipeline to the Port of Madang for drying and storage prior to shipping;

- alternative tailings management options identified; and

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

Phase 2 of the DFS commenced in May 2008 and is continuing at this time.

2. Overall Performance

The Company began the quarter ended 31 March 2009 with cash reserves of $11,302,932 and no additional funds were raised during the period. Funds expended were used to actively advance the Company's Yandera Project.

During the quarter ended 31 March 2009 the Company incurred exploration expenditures of $2,254,410 (2008: $3,384,290). In accordance with the Company's accounting policies, all exploration expenditure other than acquisition and feasibility costs, were written off as incurred. This resulted in an operating loss after income tax for the quarter ended 31 March 2009 of $3,340,710 (2008: $3,530,166).

The Company has a cash balance of $8,020,072 as at 31 March 2009.

Details of the Company's recent exploration and development activities and overall performance are contained in the March 2009 quarterly report released on 28 April 2009 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 nine month period ended 31 March 2009 are set out below:

- an upgraded Mineral Resources estimate (including initial by-product resource estimate) for the Yandera Central Porphyry;

- focus of the DFS on mine design, metallurgy and infrastructure with new development options identified;

- positive results of drilling on the Gremi, Omora, Imbruminda and Mumnogoi zones;

- significant project savings identified by relocating a portion of the processing plant to a coastal location;

- metallurgical sample drilling produced higher grade intercepts, including:
    - 132 metres @ 1.53% CuEq (1.09% Cu)
    - 199 metres @ 1.15% CuEq (0.68% Cu)

- a hydroelectric study identified the potential to produce up to 110 MW from locations in the Yandera district;

- completion of rougher flotation metallurgical testwork; and

- new copper discovery at Kombruku, four kilometres from the Yandera Project central porphyry.

As previously stated, Phase 2 of 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.

Marengo has established a project finance committee to deal with the financing of the Yandera Project in the longer term. The availability and terms of such financing will depend on the state of the financial markets at the relevant time.

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 11 May 2009 was US$2.05/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 11 May 2009 was approximately US$8.75/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.

3. Results of Operations

Quarter Ended March 31, 2009 Compared to Quarter Ended March 31, 2008

Revenue from continuing operations for the quarter ended 31 March 2009 was $55,792 as compared to $304,194 for the quarter ended 31 March 2008. The decrease was primarily due to foreign exchange gains in the quarter ended March 31, 2008 which were not repeated and a decrease in interest income due to a decrease in the average level of cash balances as compared to the quarter ended 31 March 2008.

Exploration expenditure for the quarter ended 31 March 2009 was $2,254,410 as compared to $3,384,290 for the quarter ended 31 March 2008. The decrease was primarily due to the increase in work being performed on the DFS.

Expenditure on the DFS in the quarter ended 31 March 2009 was $1,024,727.

Administration costs for the quarter ended 31 March 2009 was $188,971 as compared to $153,207 for the quarter ended 31 March 2008. Corporate expenditure for the quarter ended 31 March 2009 was $75,566 as compared to $79,868 for the quarter ended 31 March 2008. Salaries and employee benefits expenditure for the quarter ended 31 March 2009 was $810,219 as compared to $278,565 for the quarter ended 31 March 2008. These increases were primarily due to the additional staff required for, and compliance costs associated with the DFS and the Company's listing on the TSX and initial public offering in Canada.

Nine Months Ended March 31, 2009 Compared to Nine Months Ended March 31, 2008

Revenue from continuing operations for the nine months ended 31 March 2009 was $1,376,113 as compared to $977,262 for the nine months ended 31 March 2008. The increase was primarily due to foreign exchange gains in the nine months ended 31 March 2009.

Exploration expenditure for the nine months ended 31 March 2009 was $10,396,465 as compared to $7,712,789 for the nine months ended 31 March 2008. The increase was primarily due to an increase in exploration activity.

Expenditure on the DFS in the nine months ended 31 March 2009 was $3,998,728.

Administration costs for the nine months ended 31 March 2009 was $1,456,304 as compared to $400,245 for the nine months ended 31 March 2008. Corporate expenditure for the nine months ended 31 March 2009 was $397,388 as compared to $354,945 for the nine months ended 31 March 2008. Salaries and employee benefits expenditure for the nine months ended 31 March 2009 was $1,367,784 as compared to $716,422 for the nine months ended 31 March 2008. These increases were primarily due to the additional staff required for, and compliance costs associated with the DFS and the Company's listing on the TSX and initial public offering in Canada.

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.

4. Summary of Quarterly/Half-Yearly Results

The following table sets out the financial results for the Company's most recently completed five quarters (during which it was a reporting issuer for the purposes of Canadian securities laws) and the preceding half-year. The financial data is derived from the Financial Statements.

Summary of Quarterly/Half-Year Results

	Quarter	Quarter	Quarter	Quarter	Quarter	Half-Year
	31 March 2009	31 December 2008	30 September 2008	30 June 2008	31 March 2008	31 December 2007
			(A$)			
Net loss	(3,340,710)	(5,404,237)	(4,167,816)	(5,301,234)	(3,530,166)	(4,927,108)
Basic loss per share (cents)	(1.2)	(2.0)	(1.6)	(2.4)	(1.7)	(3.2)
Diluted loss per share (cents)	(1.2)	(2.0)	(1.6)	(2.4)	(1.7)	(3.2)
Cash and cash equivalents	8,020,072	11,302,932	19,207,764	23,352,570	20,527,867	16,556,956
Total assets	26,103,476	29,335,551	35,292,600	34,973,168	28,217,445	24,426,286
Total long-term financial liabilities	Nil	Nil	Nil	Nil	Nil	Nil
Cash dividends declared per share	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). Accordingly, only quarterly results for the most recently completed five quarters have been included herein.

Marengo primarily incurs costs in Australian dollars, Canadian dollars and Papua New Guinea kina and as such is subject to exchange rate risk. Over the last three months, movements in exchange rates were as follows:

	31 December 2008	**31 March 2009**	**High – 31 December 2008 to 31 March 2009**	**Low – 31 December 2008 to 31 March 2009**
AUD / CAD	0.8446	0.8541	0.8629	0.7812
AUD / PGK	1.8520	1.9707	2.0615	1.7089
AUD / USD	0.6907	0.6835	0.7268	0.6247

5. Discussion of Cash Flows

	Quarter Ended		**Nine Months Ended**	
	31 March 2009	**31 March 2008**	**31 March 2009**	**31 March 2008**
	$	**$**	**$**	**$**
Cash flows from:				
Operating activities	(2,346,397)	(4,045,399)	(11,211,582)	(8,646,418)
Investing activities	(1,107,656)	(147,263)	(4,247,026)	(267,044)
Financing activities	-	8,164,847	-	22,270,604

Cash outflow from operating activities was $2,346,397 for the quarter ended 31 March 2009 as compared to $4,045,399 for the quarter ended 31 March 2008. The net decrease was primarily due to a decrease in the number of personnel and drill rigs at the Yandera Project.

Cash outflow from investing activities for the quarter ended 31 March 2009 was $1,107,656 as compared to $147,263 for the quarter ended 31 March 2008. The increase in outflow was primarily due to a lack of expenditure on the DFS in the corresponding period in the prior year.

Cash inflow from financing activities for the quarter ended 31 March 2009 was nil as compared to $8,164,847 for the quarter ended 31 March 2008 as no shares were issued in the quarter ended 31 March 2009.

6. Discussion of Financial Position

	31 March 2009 $	30 June 2008 $
CURRENT ASSETS		
Cash and cash equivalents	8,020,072	23,352,570
Trade and other receivables	286,415	828,723
TOTAL CURRENT ASSETS	8,306,487	24,181,293
NON CURRENT ASSETS		
Other financial assets	408,733	817,301
Plant and equipment	810,321	622,054
Mining properties	16,577,935	9,352,520
TOTAL NON CURRENT ASSETS	17,796,989	10,791,875
TOTAL ASSETS	26,103,476	34,973,168
CURRENT LIABILITIES		
Trade and other payables	837,568	2,745,003
Provisions	452,083	240,608
TOTAL CURRENT LIABILITIES	1,289,651	2,985,611
TOTAL LIABILITIES	1,289,651	2,985,611
EQUITY	24,813,825	31,987,557

Cash and Cash Equivalents

Cash and cash equivalents decreased to $8,020,072 as at 31 March 2009 as compared to $23,352,570 as at 30 June 2008 primarily because the Company did not raise funds in the nine months ended 31 March 2009 and expended funds in a manner consistent with its business objectives.

Trade and Other Receivables

Trade and other receivables decreased to $286,415 as at 31 March 2009 as compared to $828,723 as at 30 June 2008 primarily due to a decrease in sundry receivables and prepayments.

Other Financial Assets

Other financial assets decreased to $408,733 as at 31 March 2009 as compared to $817,301 as at 30 June 2008 primarily due to the recognition of the fair value of the loan to Mr Les Emery relating to a share purchase facility and the reclassification of a bank guarantee.

Plant and Equipment

Plant and equipment increased to $810,321 as at 31 March 2009 as compared to $622,054 as at 30 June 2008 primarily due to the purchase of fixed assets in the normal course of business.

Mining Properties

Mining properties increased to $16,577,935 as at 31 March 2009 as compared to $9,352,520 as at 30 June 2008 primarily due to the capitalisation of the DFS costs and favourable foreign exchange rate movements.

Trade and Other Payables

Trade and other payables decreased to $837,568 as at 31 March 2009 as compared to $2,745,003 as at 30 June 2008 primarily due to decreased expenditures and timing of payments in respect of the Yandera Project.

Provisions

Provisions increased to $452,083 as at 31 March 2009 as compared to $240,608 as at 30 June 2008 primarily due to the increased staffing levels and wage increments.

Equity

Equity decreased to $24,813,825 as at 31 March 2009 as compared to $31,987,557 as at 30 June 2008 due to a loss of $12,912,763 for the nine months, partially offset by an increase in reserves of $5,739,031 primarily due to favourable foreign exchange rate movements.

7. 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 has a cash balance of $8,020,072 as at 31 March 2009. Forecast expenditure on the DFS? for the three months ending 30 June 2009 is $2.3 million with minimal expenditure expected after 30 June 2009.

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	$177,582	$177,582	-	-
Capital Lease Obligations	-	-	-	-
Purchase Obligations	-	-	-	-
Total Contractual Obligations	**$177,582**	**$177,582**		**-**

As the date of this MD&A the Company has sufficient cash and cash equivalents to finance completion of the DFS and its general administrative expenses for the ensuing six 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.

8. 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. Currently the Company has in place a forward currency contract for the purchase of PGK 1,100,000 (at an exchange rate of AUD 1.00 = PGK 1.767) which matures on 15 May 2009. The Company has no other 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.

The currency hedges are not accounted for as specific hedges and consequently movements in the fair value or mark-to-market position since inception have been reflected in the statement of income (loss).

As at 31 March 2009, the currency hedge has been recorded at nil in the balance sheet.

9. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at 31 March 2009.

10. 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.

11. **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(w) 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.

12. **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. Comparatives for the year ended 30 June 2004 have been restated in accordance with the Australian equivalent standards for IFRS.

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 31 March 2009, the Company had estimated income tax losses of $36.6 million (2008: $24.7 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 to the Financial Statements.

13. 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 19 September 2008 which is available on SEDAR at www.sedar.com and should be reviewed in conjunction with this document.

14. Outstanding Share Data

As at 15 May 2009, the only class of shares of the Company outstanding is ordinary shares. As at 15 May 2009, the Company had 268,016,975 ordinary shares outstanding and 10,301,905 options to acquire ordinary shares at various exercise prices.

15. 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 31 March 2009, 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 three months ended March 31, 2009, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

16. 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.

17. 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.