ABN 57 099 496 474

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE QUARTER ENDED SEPTEMBER 30, 2012

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 three months ended September 30, 2012 (the "Q1 2013" **Financial Statements**") and with the June 30, 2012 audited consolidated financial statements (the "FY 2012 **Financial Statements**") and related notes thereto (together, the "**Financial Statements**"). This information is presented as of November 12, 2012. The Financial Statements (and the financial information contained in this MD&A) were prepared in accordance with the Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

All amounts in this discussion are expressed in Australian dollars ("AUD") unless otherwise indicated.

In this MD&A, references to "Company" or "Marengo" are references to Marengo Mining Limited and its wholly-owned subsidiaries.

The Financial Statements and other information about the Company and its business activities are available on the Canadian SEDAR website.

1. Overview

Marengo is an international mineral exploration and development company listed on the Australian Securities Exchange (the "**ASX**") (Code: MGO), 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.

The Company also owns a database of exploration and project evaluation activities (including all exploration and drilling data, assay results from 102 diamond holes totalling 33,000 metres, resource estimates and scoping studies) at the Yandera Project between 1970 and 1989.

In September 2006, the Company commissioned a conceptual mining study (the "**CMS**") for the Yandera Project to include a preliminary mine design and open pit optimisation, metallurgical testwork, plant flowsheet design and throughput options and capital and operating cost estimates. In July 2007, the CMS was completed and, based on the positive results thereof, the Company determined to proceed with a feasibility study (the "**FS**") on the development of the Yandera Project.

Phase 1 of the FS was completed in April 2008 and comprised a comparative development options analysis study and delivered a number of positive results. Phase 2 of the FS commenced in May 2008 and is ongoing. Phase 2 of the FS involves metallurgical testwork, mine design, process plant design, tailings and concentrate pipeline design, route selection, geotechnical studies, equipment selection and infrastructure layout. Phase 2 of the FS also includes identification and consideration of options for project infrastructure, processing facility locations and transportation in order to reduce initial capital costs.

The Company currently has no source of earnings other than interest paid to it on its current cash position. In order to fund its ongoing exploration efforts and operations, Marengo has historically raised funds through the issuance of equity securities.

2. Subsequent Events

No matters or circumstances have arisen since the end of Q1 2013 which will significantly affect, or may significantly affect, the state of affairs or operations other than the following:

(a) On October 12, 2012, Marengo allotted 10,000,000 Performance Rights to the Managing Director pursuant to a resolution approved by Marengo Shareholders on October 8, 2012 and under a plan approved by Marengo shareholders in September 2011.

3. Overall Performance

The Company began Q1 2013, with cash reserves including cash and cash equivalents and investments in term deposits of $11,188,315.

During the quarter, the Company incurred exploration and FS expenditure of $10,852,410 (2011: $9,911,542). In accordance with the Company's accounting policies, all exploration and feasibility costs have been capitalised to the extent that right of tenure of the area of interest is current and either the costs are expected to be recouped through sale or successful development and exploitation of the area of interest or, where activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves. The Company made an operating loss after income tax for Q1 2013 of $1,542,477 (for the three month period ended September 30, 2011 ("Q1 2012"): loss of $997,275).

The Company raised $19,257,790 during Q1 2013 through the exercising of warrants (unlisted options) and the placement of shares issuing 133,975,438 ordinary shares. Funds raised have been used for FS expenditure and general working capital in relation to the Company's Yandera Project.

The Company had a cash reserve of $16,427,336 at the end of Q1 2013.

Details of the Company's recent exploration and evaluation activities and overall performance are contained in the September 2012 quarterly report released on October 31, 2012 to the ASX and POMSoX, and concurrently filed under the Company's profile at the Canadian SEDAR website.

Other highlights of the Company's activities for the Q1 2013 are set out below:

Feasibility Study

The primary activity during the quarter was to continue activities relating to the completion of the 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 pricing an Engineering Procurement and Construction contract (EPC), to be submitted by the Company's Chinese strategic engineering partner, China Nonferrous Metal Industry's Foreign Engineering and Construction Co Ltd ("NFC").

The Yandera Project development concept is for a full open-cut mining operation and subsequent processing operation to be sited at Yandera, with copper concentrate, being delivered to a port facility, in the area of the town of Madang on the North coast of PNG, by way of pipeline.

Molybdenum concentrate will be delivered by road transport due to the smaller volumes of this high value product from the proposed mining operation.

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 achieved.

A power station, also located in the Madang area, is contained within the FS, with 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 current FS is being completed by a team of experts, from Marengo, Arccon Mining Services (Arccon) and many other Australian and international consultants. In parallel to this activity and under the Company's arrangements with NFC, for the construction and development of the Yandera Project, NFC and Arccon (a member of the Allmine Group) are completing the 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 contract pricing by the end of 2012.

Drilling (Yandera Central Porphyry)

Drilling continued throughout Q1 2013 with three rigs on site, one of which is undertaking a 29 hole in-fill drilling program within the Yandera Central Porphyry, with the other two rigs used on the proximal exploration program around Dirigi Mountain. This latter drilling program is partly to satisfy the sterilisation needs for siting of the waste rock dump and TMF in the Tai-Ayor river valley. These drilling results confirm the presence of high grade mineralisation at Gremi, Imbruminda and Omora. The results can be viewed in the press releases dated August 15, 2012, September 20, 2012 and October 17, 2012.

Yandera Proximal Exploration

The Company's proximal exploration program followed a two-pronged approach during Q1 2013: activities including geological mapping and drilling of mature targets adjacent to Yandera Central deposit to define extensions within the mineralised corridor; and activities, including geological mapping, geological interpretation and some drilling of early-stage geochemical targets to the south of Yandera.

In the first case, efforts were concentrated on the Mumnogoi - Dirigi corridor, following up on the promising mineralisation in the upper 50 m of YD475 (0.12 g/t Au, 210 ppm Mo).

In the second case attention was directed at assembling an interpretation of Dirigi geology prior to further drilling. Most of the drilling to date at Dirigi has been to satisfy the sterilisation needs for the proposed TMF.

Dirigi Mountain itself is characterised by a positive magnetic anomaly indicating the presence of an intrusive body. This intrusion may be the cause of the surface mineralisation seen in certain creeks around the flanks of the mountain. Modeling of the geophysical data is currently being undertaken to determine the depth and size of the mass to aid pre-drilling interpretations.

Recent results from exploration drilling can be found in the Company's recently released ASX Quarterly Activity report.

Regional Exploration

Regional exploration activities in other areas have seen considerable progress over Q1 2013. Exploration Licence 1851 at Yakumbu, along the western extremes of the Finisterre Range was covered by an extensive stream sediment sampling program. These samples have been dispatched for assay and the results are currently awaited.

In addition, work on EL1633 at Yomi re-commenced during Q1 2013, with a soil geochemical survey being completed along the principal ridges bounding the area identified for anomalous Au values from early BLEG sampling.

Benches were cut and sampled across the mineralised zones that are currently exploited by local small-scale miners. Samples from this work have been dispatched for assay and the results are expected before the end of the year. It is believed that the origin of mineralisation at Yomi is related to NNE-SSW structures developed in the metavolcanic country rock intruded by a NW-SE orientated body of granite.

Agreement to Acquire Madang Port Facilities

During Q1 2013, the Company entered into an agreement to purchase control of a significant parcel of land adjacent to the Madang Port marking another key step towards development of its Yandera Project.

Under the terms of an agreement entered into between Marengo's subsidiary, Yandera Mining Company Limited ("YMCL") and PNG wood-chip operations company, Jant Limited (the "Jant Agreement"), YMCL has agreed to purchase a State Lease, covering approximately 18 hectares of waterfront land, adjacent to the Madang Port. The Jant Agreement also covers an existing ship-loader and wharf facility located on the land parcel.

The consideration under the Jant Agreement is 22,000,000 PNG Kina (approximately A$/C$10M), which is payable in stage payments up to 18 months from the date of the agreement, with the first payment of 500,000 PNG Kina (approximately A$/C$225,000) having been paid on signing.

Another condition of the Jant Agreement is that YMCL will make application to the PNG Government for a replacement lease, over the land, together with any necessary rezoning, for the purpose of establishing infrastructure related to the development of the Yandera Project.

It is envisaged that the Madang site will be utilised for the following components of infrastructure for the project, including:

- Concentrate storage and shipping facilities;
- power station and associated transformers;
- office and warehouse facilities; and
- staff accommodation.

Community Matters

Marengo is committed to working with local communities 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.

During the FS process, the Company has made every effort to ensure that all stakeholders are fully briefed on the proposed development plans.

Public forums in villages and in the Madang town area have enabled 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.

Safety, Health and Environment

Marengo places the highest level of importance on safety, health and environment in all areas where it is active.

During Q1 2013, there has been no significant safety or environmental incidents. The focus of all activities carried out by Marengo staff and consultants is to work safe and a dedicated health and safety management team are 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 FS, particularly in areas involving baseline studies to assess the current regimes, in areas where development activities are planned to occur.

During Q1 2013, Marengo reached agreement with local landowners and the provincial authorities to establish a pilot sustainable development program, for the Yandera region. As part of a sustainable development program associated with the future development of the Yandera Project, a four hectare parcel of land is currently being 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.

The Yandera camp clinic continues to treat Marengo employees and members of the local villages for their health needs, with the more serious medical cases being evacuated by helicopter at the Company's expense, to government medical facilities for further treatment.

Proposed Re-Domicile of Marengo Mining Limited

During Q1 2013, Marengo announced that, subject to shareholder and regulatory approvals, it will restructure the Company to re-domicile it from Australia to Canada by way of a Scheme of Arrangement. The re-domiciling will not result in any changes in Marengo's management, operations or strategy and its shares will trade under the same symbols as the Marengo shares trade at present.

To effect the redomicile, a Scheme of Arrangement ("Scheme") is proposed, under which shareholders will be offered pro-rata equity in a new Canadian incorporated company, specifically incorporated to which will ultimately be named Marengo Mining Limited. There will be no effect on the assets and liabilities of Marengo upon completion of the restructure.

The redomicile is expected to be completed by late 2012 and will only proceed if the restructure is approved by Marengo shareholders and the Supreme Court of Western Australia.

Shareholders will receive detailed information about the restructure and the listings shortly. The required shareholders' meeting has been set down for December 6, 2012.

4. Results of Operations

Quarter ended September 30, 2012 ("Q1 2013") compared to quarter ended September 30, 2011 ("Q1 2012")

Revenue from operations for Q1 2013 was $209,992 (Q1 2012: $704,689) and is comprised primarily of interest revenue. The decrease in Q1 2013 was primarily due to a decrease in the balance of cash deposits earning interest as compared to Q1 2012.

Salaries and employee benefits expense for Q1 2013 was $461,806 (Q1 2012: $352,193). The increase in Q1 2013 is primarily due to the introduction of a long service leave entitlements policy for Papua New Guinean staff together with increased staff involved with finalising the FS.

Share-based payments expense for Q1 2013 of $63,797 (Q1 2012:$15,903) was from the amortisation of the value of options and performance rights issued to Directors, suppliers and employees over their vesting period for the quarter. The increase for Q1 2013 is due to the issue of performance rights during the quarter.

All corporate, depreciation, occupancy, insurance, foreign exchange and administration and other expenditure totalled $1,226,866 for Q1 2013 (Q1 2012:$1,333,867). The decrease is primarily due to larger than normal legal expenditures in Q1 2012 associated with a corporate restructure of the group's subsidiaries.

5. Summary of Quarterly Results

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

Summary of Quarterly Results (AUD)

	Quarter Ended 30-Sep-12	Quarter ended 30-Jun-12	Quarter ended 31-Mar-12	Quarter ended 31-Dec-11	Quarter ended 30-Sep-11	Quarter ended 30-Jun-11	Quarter ended 31-Mar-11	Quarter ended 31-Dec-10
Total revenue	209,992	187,105	351,568	534,673	704,689	807,215	764,375	153,705
Net profit (loss)	(1,542,477)	(649,646)	(1,038,145)	(169,462)	(997,275)	4,706,039	(3,800,245)	(3,458,354)
Basic profit (loss) per share (cents)	(0.14)	(0.06)	(0.10)	(0.12)	(0.10)	0.59	0.40	(0.40)
Diluted profit (loss) per share (cents)	(0.14)	(0.06)	(0.10)	(0.12)	(0. 09)	0.59	0.40	(0.40)
Cash reserves	16,427,336	11,188,315	22,227,894	32,574,521	47,837,572	57,323,915	65,477,232	70,689,969
Total assets	177,119,643	166,715,277	159,391,100	157,222,877	158,443,046	147,238,818	142,886,837	142,872,977
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 primarily incurs costs in Australian dollars ("AUD"), Canadian dollars ("CAD") and Papua New Guinea kina ("PGK") and as such is subject to exchange rate risk.

Over the last three months, movements in exchange rates were as follows:

	30 Sep. 2012	30 Jun. 2012	High 1 Jul. 2012 to 30 Sep. 2012	Low 1 Jul. 2012 to 30 Sep. 2012
AUD / CAD	1.0209	1.0414	1.0584	1.0078
AUD / PGK	2.1237	2.0427	2.1702	2.0455
AUD / USD	1.0379	1.0160	1.0579	1.0166

6. Discussion of Cash Flows

	3 Months to 30 September 2012 AUD	3 Months to 30 September 2011 AUD
Cash inflows (outflows) from:		
Operating activities	(1,405,232)	(1,353,841)
Investing activities	(17,225,272)	(361,695)
Financing activities	17,839,362	604,697

Cash outflows from operating activities for Q1 2013 were $1,405,232 (Q1 2012: $1,353,841) with the majority of expenditure being for administration. The increase is due to timing on payments relating to Q1 2012.

Cash outflows from investing activities for Q1 2013 were $17,225,272 (Q1 2012: $361,695). The majority of this expenditure related to the FS.

Cash inflows from financing activities in Q1 2013 was $17,839,362 (Q1 2012: $604,697) due to the issue of shares net of costs associated with a large capital raising (issue of shares) during Q1 2013.

7. Discussion of Financial Position

	30 September 2012 AUD	30 June 2012 AUD
Current Assets		
Cash and cash equivalents	**185,969**	988,317
Investments - term deposits	**16,241,367**	10,199,998
Trade and other receivables	**982,498**	725,046
Total Current Assets	**17,409,834**	11,913,361
Non Current Assets		
Plant and equipment	**1,644,287**	1,371,856
Exploration and evaluation	**158,065,522**	153,430,060
Total Non Current Assets	**159,709,809**	154,801,916
Total Assets	**177,119,643**	166,715,277
Current Liabilities		
Trade and other payables	**4,892,460**	6,596,276
Provisions	**1,525,837**	1,018,278
Total Current Liabilities	**6,418,297**	7,614,554
Total Liabilities	**6,418,297**	7,614,554
Equity	**170,701,346**	159,100,723

Cash and Cash Equivalents

Cash and cash equivalents decreased to $185,969 at the end of Q1 2013 from $988,317 at the end of FY 2012 primarily due to the expenditure on the FS and exploration activities and cash put in to term deposits for the purpose of earning interest.

Investments - Term Deposits

Cash held in term deposits has increased to $16,241,367 at the end of Q1 2013 from $10,199,998 at the end of FY 2012 primarily due to the capital raising during Q1 2013 giving rise to additional cash to be kept on deposit until it is required for expenditure on FS and exploration activities.

Trade and Other Receivables (Current)

Trade and other receivables increased to $982,498 as at the end of Q1 2013 as compared to $725,046 at the end of FY 2012 primarily due to an increase in interest receivable from term deposits.

Plant and Equipment

Plant and equipment increased to $1,644,287 as at the end of Q1 2013 as compared to $1,371,856 as at the end of FY 2012 primarily due to purchases in the normal course of business.

Exploration and Evaluation

Exploration and evaluation costs increased to $158,065,522 as at the end of Q1 2013 as compared to $153,430,060 as at the end of FY 2012 due to $10,520,965 being capitalised in relation to the FS offset by $5,885,503 due to a 4% decrease in the of the AUD versus PGK.

Trade and Other Payables

Trade and other payables decreased to $4,892,460 as at the end of Q1 2013 as compared to $6,596,276 as at the end of FY 2012 primarily due to timing of payments in respect of the Yandera Project.

Provisions

Provisions increased to $1,525,837 as at the end of Q1 2013 as compared to $1,018,278 as at the end of FY 2012 primarily due to PNG staff long service leave entitlements being provided for during the current period.

Equity

Equity increased to $170,701,346 as at the end of Q1 2013 as compared to $159,100,723 as at the end of FY 2012 due to net share issue proceeds of $17,839,362 offset by a loss of $1,542,477 in Q1 2013, and a decrease in reserves of $4,696,261 due to foreign exchange rate movements.

8. 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 FS and transition to the construction stage of the project.

The Company had cash reserves of $16,427,336 at the end of Q1 2013.

The Company's contractual obligations as at the end of Q1 2013 are set out below:

	Payments due by Period				
Contractual Obligations – AUD	**Total**	**Less than 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Long term debt	-	-	-	-	-
Operating leases	$1,225,962	$963,139	$262,823	-	-
Capital lease obligations	-	-	-	-	-
Purchase obligations	-	-	-	-	-
Total contractual obligations	**$1,225,962**	**$963,139**	**$262,823**	**-**	**-**

The Company's ability to continue its operations in the normal course of business during the next twelve months is dependent upon its ability to raise additional debt and/or equity.

In addition, if the FS 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, pre-strip and working capital.

The success and pricing of capital raising(s) and/or debt financing will be dependent upon the prevailing market conditions at the time, the outcome of the FS or any other relevant feasibility studies and exploration programs. Although the Company has been successful in raising additional funds in the past, there is no assurance that it will be able to do so in the future.

9. Financial Instruments and Other Instruments

The Company is exposed to 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, molybdenum or gold or any other metals.

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 Company currently has no currency hedges in place.

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

10. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at the end of Q1 2013 (end of FY2012 : None).

11. Risk Factors

The Company's risk factors are discussed in detail in the Company's AIF dated September 28, 2012 which is available on the Canadian SEDAR website at www.sedar.com and should be reviewed in conjunction with this document.

12. Outstanding Share Data

As at the end of Q1 2013, the only class of shares of the Company outstanding was ordinary shares. As at the end of Q1 2013, the Company had 1,137,720,551 ordinary shares outstanding and 103,910,750 performance rights and options (including Canadian warrants) to acquire ordinary shares at various exercise prices.

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(v) of the FY 2012 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 accumulated and capitalised in relation to each identifiable area of interest where right of tenure of the area of interest is current and the area of interest has not, at reporting date, reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves. In the event that tenure is relinquished and/or economically recoverable resources are not assessed as being present, this expenditure will be expensed to profit and loss.

14. 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 the end of Q1 2013, 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 in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarised and reported, within the time periods specified in securities legislation; and (iii) 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 September 30, 2012, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

15. Cautionary Note Regarding Forward-Looking Information

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information which reflect management's expectations regarding Marengo's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A, the Company has made numerous assumptions. The assumptions include, among other things, assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) the accuracy of the Company's mineral resource estimate; (iv) the future price of copper, molybdenum and gold; and (v) that the supply and demand for copper, gold, molybdenum, and other metals develop as expected. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, among other things, the following: (i) need for additional financing to develop the Yandera Project; (ii) decreases in the price of copper and molybdenum; (iii) exploration risk; (iv) the risk that the Company will not obtain a renewal of Exploration Licence 1335; (v) dependence on the Yandera Project; and (vi) PNG State equity interest.

This MD&A and the Company's AIF dated September 28, 2012 contain additional information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be as anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of, this MD&A except as may be required by law. All forward-looking information disclosed in this MD&A is qualified by this cautionary statement.

Additional information about the Company and its business activities is available under the Company's profile on the Canadian SEDAR website.

16. <u>Scientific and Technical Information</u>

The scientific and technical information contained in this MD&A was prepared by or under the supervision of Frederick Cook. Mr Cook is a Fellow of the Australasian Institute of Mining and Metallurgy and a full-time employee of Marengo. Mr Cook is a "Qualified Person" as defined by NI 43-101. Mr Cook verified the data underlying the information in this MD&A prepared by him.

For a description of: (i) the quality assurance program and quality control measures applied during Marengo's work programs; (ii) a summary description of the geology, mineral occurrences and nature of mineralisation found; (iii) a summary description of rock types, geological controls and dimensions of mineralised zones at the Yandera Project; and (iv) a summary description of the type of analytical or testing procedures utilised, sample size and the name and location of each analytical or testing laboratory used please refer to the technical report on the Yandera Project dated May 2012, prepared by Mr Stephen Hyland of Ravensgate Minerals Industry Consultants and Mr Karl Smith of Karl Smith Mine and Geology Consulting. Mr Hyland and Mr Smith are Fellows of the Australasian Institute of Mining and Metallurgy.