COMPANY NO. 822513-3 / ARBN: 161 356 930

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE QUARTER ENDED SEPTEMBER 30, 2013

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, 2013 (the "Q1 2014" **Financial Statements**") and with the June 30, 2013 audited consolidated financial statements (the "FY 2013 **Financial Statements**") and related notes thereto (together, the "**Financial Statements**"). This information is presented as of November 15, 2013. The Financial Statements (and the financial information contained in this MD&A) were prepared in accordance with the International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board.

All amounts in this discussion are expressed in United States dollars ("USD") 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 Toronto Stock Exchange (the "**TSX**") (Code: MRN), Australian Securities Exchange (the "**ASX**") and the Port Moresby Stock Exchange Limited ("**POMSoX**") (Code: MMC).

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 work to support 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 work to support the preparation of the FS commenced in May 2008 and is ongoing. The Phase 2 FS work involves metallurgical testwork, mine design, process plant design, tailings and concentrate pipeline design, route selection, geotechnical studies, equipment selection and infrastructure layout. The Phase 2 FS work also includes identification and consideration of options for project infrastructure, processing facility locations and transportation in order to reduce initial capital costs.

The Company's Board of Directors announced on May 17, 2013 that additional work is required in a number of specific areas before a final FS could be prepared, including: identifying an alternative cost-competitive source of power for the Project after Marengo's preferred third party power provider decided to withdraw from the proposed power supply arrangements.

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.

The Company's $10,000,000 unsecured facility provided by Sentient Global Resources Fund IV, L.P. ("Sentient") in February 2013 is due for repayment on December 31, 2013. This debt exceeds the Company's free cash in the applicable period. The Company is currently in discussions with Sentient to resolve future working capital deficiencies, subject to shareholder approval.

On August 12, 2013, the Company announced the completion of debenture placement to Sentient. The final tranche of debentures under the Debenture Purchase Agreement (DPA) dated May 27, 2013 consists of 6,000, $1,000 debentures, convertible, at the option of Sentient at C$.011 per share with 9% interest rate and a maturity date of June 30, 2016 (the "Debentures"). Interest accrued and payable will be satisfied through the issuance of additional Debentures. Under the DPA, an establishment fee of 2% was paid to Sentient through the issuance of additional Debentures.

In addition, the Company issued an additional $1,000,000 principal amount of Debentures in satisfaction of the interest accrued and payable up to the end of August 2013, under the existing unsecured facility of $10,000,000 provided by Sentient in February 2013.

2. Subsequent Events

No matters or circumstances have arisen since the end of Q1 2014 which will significantly affect, or may significantly affect, the state of affairs or operations other than the following:

On October 15, 2013 the Company announced it had entered into a Memorandum of Understanding ("MoU") with the Madang Development Corporation to cooperate in, and explore becoming an offtake party, in relation to a power supply solution for industrial, and domestic electricity consumers in Madang Province.

3. Overall Performance

The Company began Q1 2014, with cash reserves including cash and cash equivalents and investments in term deposits of $6,692,000.

During the quarter, the company drew down the final tranche of the unsecured convertible notes from Sentient for $6,000,000 (Q1 2013: nil).

The Company incurred exploration and FS expenditure of $4,565,000 (Q1 2013: $10,007,000).

The Company made an operating loss after income tax for Q1 2014 of $2,327,000 (for the three month period ended September 30, 2012 (“Q1 2013”): loss of $1,607,000).

The Company had a cash reserve of $7,278,000 at the end of Q1 2014.

Details of the Company’s recent exploration and evaluation activities and overall performance are contained in the September 2013 Quarterly Activities Report released on October 31, 2013 to the ASX and POMSoX.

Other highlights of the Company’s activities for the Q1 2014 are set out below:

Feasibility Study

Following a review of the technical work in support of the Feasibility Study, the Board of Directors decided that additional work is required in a number of specific areas before a FS can be prepared, including identifying an alternative cost-competitive source of power for the Project after Marengo’s preferred third party power provider decided to withdraw from the proposed power supply arrangements.

Further opportunities to enhance the Project include:

- A review of processing plant throughput rates;
- Reviewing the option of Deep Sea Tailings Placement (DSTP) versus a land-based Tailings Management Facility (TMF); and
- Further optimisation of the mine plan.

The objective is to help ensure that the Yandera Project is robust at all phases of the commodity price cycle.

The Company remains committed to the future development of the Yandera Project.

Yandera Exploration

Marengo commenced the first diamond drill hole of its 2013 campaign. A 2,000m (10-hole) diamond drilling campaign commenced at Dimbi Zone in mid-September with the objective of identifying near-surface resources, with the potential to delineate a starter pit for the Yandera mining operation which could further enhance the Yandera Project.

The new drill-holes have been designed to target projections of interpreted north-east striking mineralised structures in the hanging wall of the Dimbi Fault, a major north-westerly striking structure which dips to the north-east and bounds the Dimbi Zone on the south-west.

This early fault established a conduit for mineralised fluid flow into the Dimbi Zone, along a later set of north-east trending faults. The current drill holes have been carefully sited to test these recently mapped mineralised structures as well as up-dip projections of elevated copper intercepts at depth in several nearby existing drill-holes.

The assay results for YD 551 were outstanding with a 128.6m copper intersection returning 0.53% Cu including 27m at 0.71%, and a 192m molybdenum intersection at 69ppm Mo including 30m at 118ppm Mo. Precious metals intersections were significant too; 144m of 2.5g/t Ag and 21m of 0.22g/t Au.

Peak assays for three elements were recorded for the 3m intersection 120m – 123m; viz 1.95% Cu, 398ppm Mo and Ag 9.7g/t Ag. Gold peaked at 0.58g/t Au from 15m – 18m.

YD 551 was terminated prematurely at 197.6m due to drilling problems.

YD551 (Dimbi)

Collar co-ordinates 292715E, 9365998N; Azimuth 150o (AMG) dip -60o

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
69	197.6	128.6	0.53	70	0.054	2.45
and						
6	197.6	191.6	-	69	-	-
including						
105	132	27	0.71	121	0.085	3.5
168	197.6	29.6	-	118	-	-
6	27	21	-	-	0.22	-
45	189	144	-	-	-	2.5

Community Matters

Marengo is committed to working with the community 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.

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.

The Yandera camp clinic continues to be staffed to treat Marengo employees and members of the local villages for their health needs. The more serious medical cases are being evacuated by helicopter to Government medical facilities for further treatment.

Marengo continues to support a pilot sustainable development program, at the Usino area, near Yandera. Trial plantings were successful in producing good harvests of various crops and have demonstrated that the future expansion of this initiative into a commercial scale project would have positive impacts on the local community.

Appointment of directors

On July 26, 2013 Mr Pieter Britz was appointed to the Board of Directors and Mr John Hick, an independent director since 2008, was appointed Non-executive Chairman.

4. Results of Operations

Quarter ended September 30, 2013 ("Q1 2014") compared to quarter ended September 30, 2012 ("Q1 2013")

Revenue from operations for Q1 2014 was $15,000 (Q1 2013: $218,000) and is comprised of interest revenue. The decrease in Q1 2014 was primarily due to a decrease in the balance of cash deposits earning interest as compared to Q1 2013.

Other income for Q1 2014 was $554,000 (Q1 2013: nil) and is due to an adjustment made to share based payment expense relating to the performance rights issued on September 6, 2012 and October 12, 2012. The probability that the vesting conditions of these performance rights would be met prior to the expiry date was previously judged to be 100%, however this probability has been reassessed and reduced thus creating a recovery in the current quarter.

Salaries and employee benefits expense for Q1 2014 was $461,000 (Q1 2013: $481,000). The decrease in Q1 2014 is primarily due to reduced number of staff on the closure of the Perth office.

Interest expense for Q1 2014 of $1,204,000 was the interest accrued for the quarter on the $10,000,000 loan and $15,000,000 convertible notes provided to the Company by Sentient.

The movement during the quarter in fair value of the derivative liability in relation to the conversion option of the Convertible Debentures resulted in a fair value adjustment expense of $462,000 for Q1 2014 (Q1 2013: nil).

All corporate, depreciation, occupancy, insurance, foreign exchange and administration and other expenditure totalled $700,000 for Q1 2014 (Q1 2013: $1,195,000). The decrease is due to the reduction in overheads due to the closure of the Perth office.

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 (US$'000)

	Quarter Sep 30, 13 US$'000	Quarter Jun 30, 13 US$'000	Quarter Mar 31, 13 US$'000	Quarter Dec 31, 12 US$'000	Quarter Sep 30, 12 US$'000	Quarter Jun 30, 12 US$'000	Quarter Mar 31, 12 US$'000	Quarter Dec 31, 11 US$'000
Total revenue	15	(147)	106	109	218	180	368	542
Net loss	(2,327)	(1,005)	(2,322)	(2,551)	(1,607)	(650)	(1,095)	(171)
Basic loss per share (cents)	(0.21)	(0.09)	(0.21)	(0.23)	(0.14)	(0.06)	(0.11)	(0.12)
Diluted loss per share (cents)	(0.21)	(0.09)	(0.21)	(0.23)	(0.14)	(0.06)	(0.11)	(0.12)
Cash reserves	7,278	6,692	6,065	5,760	17,053	6,692	23,088	33,148
Total assets	161,154	182,470	184,602	180,576	183,868	182,469	165,559	159,990
Total long-term financial liabilities	14,273	6,833	-	-	-	-	-	-
Cash dividends declared per share	-	-	-	-	-	-	-	-

Marengo primarily incurs costs in Unites States dollars (USD), Australian dollars (AUD), Canadian dollars (CAD) and Papua New Guinea kina (PGK). The accounts are presented in United States dollars (USD) and as such are subject to exchange rate risk where transactions are in a currency other than the functional currency of the company. During Q1 2014, movement in exchange rates were as follows:

	September 30, 2013	June 30, 2013	High July 1 to September 30, 2013	Low July 1 to September 30, 2013
USD / CAD	1.0312	1.0526	1.0608	1.0181
USD / PGK	2.6410	2.2999	2.5820	2.0619
AUD / USD	0.9322	0.9146	0.9528	0.8847

6. Discussion of Cash Flows

3 months to	September 30, 2013 US$'000	September 30, 2012 US$'000
Cash inflows (outflows) from:		
Operating activities	(1,001)	(2,706)
Investing activities	(3,847)	223
Financing activities	5,978	18,520

Cash outflows from operating activities for Q1 2014 were $1,001,000 (Q1 2013: $2,706,000) with the majority of expenditure being for administration. The decrease is due to the reduction in overheads due to the closure of the Perth office.

Cash outflows from investing activities for Q1 2014 were $3,847,000 (Q1 2013: $223,000 inflow). The majority of this expenditure related to the FS which in Q1 2013 was offset by the funds drawn from long term deposits.

Cash inflows from financing activities in Q1 2014 was $5,978,000 (Q1 2013: $18,520,000) due to draw down of the final tranche of the Sentient Convertible Debentures.

7. Discussion of Financial Position

	September 30, 2013 US$'000	June 30, 2013 US$'000
CURRENT ASSETS		
Cash and cash equivalents	2,771	1,667
Investments – term deposits	4,507	5,025
Trade and other receivables	754	957
TOTAL CURRENT ASSETS	**8,032**	**7,649**
NON CURRENT ASSETS		
Plant and equipment	964	1,154
Exploration and evaluation	152,158	173,667
TOTAL NON CURRENT ASSETS	**153,122**	**174,821**
TOTAL ASSETS	**161,154**	**182,470**
CURRENT LIABILITIES		
Trade and other payables	1,053	3,094
Provisions	908	1,040
Loans and borrowings	10,172	10,668
Derivative Liability	1,338	611
TOTAL CURRENT LIABILITIES	**13,471**	**15,413**
NON CURRENT LIABILITIES		
Loans and borrowings	14,273	6,833
TOTAL NON CURRENT LIABILITIES	**14,273**	**6,833**
TOTAL LIABILITIES	**27,744**	**22,246**
EQUITY	**133,410**	**160,224**

Cash and Cash Equivalents
Cash and cash equivalents increased to $2,771,000 at the end of Q1 2014 from $1,667,000 at the end of FY 2013 primarily due to the final drawdown under the Sentient Convertible Debentures.

Investments - Term Deposits
Cash held in term deposits has decreased to $4,507,000 at the end of Q1 2014 from $5,025,000 at the end of FY 2013 primarily due to the utilisation of funds to further the Company's Yandera FS.

Trade and Other Receivables
Trade and other receivables decreased to $754,000 as at the end of Q1 2014 as compared to $957,000 at the end of FY 2013 primarily due to a reduction in recoverable GST paid in Australia.

Plant and Equipment
Plant and equipment decreased to $964,000 as at the end of Q1 2014 as compared to $1,154,000 as at the end of FY 2013 primarily due to depreciation expensed during the quarter.

Exploration and Evaluation
Exploration and evaluation costs decreased to $152,158,000 as at the end of Q1 2014 as compared to $173,667,000 as at the end of FY 2013 primarily due to the fluctuation in the exchange rate of the PGK to USD during the quarter.

Trade and Other Payables
Trade and other payables decreased to $1,053,000 as at the end of Q1 2014 as compared to $3,094,000 as at the end of FY 2013 primarily due to timing of payments in respect of the Yandera Project and the reduction in overheads due to the closure of the Perth office.

Provisions
Provisions decreased to $908,000 as at the end of Q1 2014 as compared to $1,040,000 as at the end of FY 2013 primarily due to the reduction of the provision of annual and long service leave on the closure of the Perth office.

Loans and borrowings
Loans and borrowings increased to $24,445,000 as at Q1 2014 as compared to $17,501,000 as at the end of FY 2013 due to the drawdown of the final tranche of the convertible notes of $6,000,000 plus interest accrued on the $10,000,000 loan and the $15,000,000 convertible note facility for the quarter.

Derivative Liability
Derivative Liability increased to $1,338,000 as at Q1 2014 as compared to $611,000 as at the end of FY 2013 due to the drawdown of the final tranche of the convertible notes and the revaluation of the derivative liability as at September 30, 2013.

Equity
Equity decreased to $133,410,000 as at the end of Q1 2014 as compared to $160,224,000 as at the end of FY 2013 due a loss of $2,327,000 in Q1 2014, and a decrease in reserves 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.

The Company had cash reserves of $7,278,000 at the end of Q1 2014.

The Company's contractual obligations as at the end of Q1 2014 are set out below:

	Payments due by Period				
Contractual Obligations – USD	**Total**	**Less than 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Long term debt	19,697	1,474	18,223	-	-
Operating leases	239	239	-	-	-
Capital lease obligations	-	-	-	-	-
Purchase obligations	-	-	-	-	-
Total contractual obligations	**19,936**	**1,713**	**18,233**	**-**	**-**

As at September 30, 2013, the Company had a working capital deficiency of $5,439,000 (FY 2013: $7,764,000). The Company also recorded a loss of $2,327,000 for the quarter (Q1 2013: $1,607,000), had net cash outflows from operations of $1,001,000 (Q1 2013: $2,706,000), including incurred expenditure of $4,565,000 (Q1 2013: $10,007,000) on the ongoing feasibility study being undertaken at the Yandera Project.

Given the extensive nature of the feasibility study and the additional optimisation opportunities currently being considered, Marengo's major shareholder, Sentient Executive GP IV (Sentient) initially provided an unsecured, interest bearing working capital facility of $10,000,000, repayable on December 31, 2013. On May 27, 2013 Marengo also entered into a debenture purchase agreement with Sentient, whereby Marengo issued 15,000 convertible notes for $15,000,000 in three tranches. As at September 30, 2013 the facility has been drawn in full.

The working capital facility of $10,000,000 is currently repayable on December 31, 2013. The $5,439,000 working capital deficiency reflected on the balance sheet as at September 30, 2013 was predominantly a result of this maturing liability. The Directors are currently in ongoing discussions with Sentient regarding the debt rearrangement of this working capital facility, in parallel with efforts to source new or additional sources of funding. There is no certainty or contractual obligation yet agreed with respect to debt restructuring however, the Directors advise that negotiations are progressing positively.

The continuing viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Company being successful in:

i) receiving the continuing support of its shareholders, particularly for the Company's effort to restructure the maturity of the $10,000,000 working capital facility that is currently repayable on December 31, 2013; and
ii) raising additional funds as necessary, either through debt, asset sales, or equity.

The Directors remain of the opinion that the lender (Sentient) will agree to a restructure of these financial commitments and it is on this basis, with the benefit of the knowledge of ongoing discussions with the lender, that the Directors have formed a view of the Company's ability to continue as a going concern. The Directors acknowledge that equity markets have continued to be particularly challenging in recent times.

As a result of these matters, there continues to be material uncertainty related to events or conditions that may cast significant doubt on whether the Company will continue as a going concern and, therefore, may not be able to realise its assets and settle its liabilities and commitments in the normal course of the business and at the amounts stated in the financial report.

However, the Directors are of the opinion that, as at the date of the Q1 2014 Financial Statements, the Company is a going concern and, as a result, the financial report for the quarter ended September 30, 2013 does not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

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 2014 (end of FY 2013: None).

11. Transactions with Related Parties

On June 11, 2008, the Company entered into a loan agreement with the Managing Director, Mr Les Emery, to lend A$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 November 30, 2008. This agreement was approved by shareholders at the Company’s general meeting on November 28, 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 six 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.

The loan was accounted for as an option in the prior fiscal year and as at September 30, 2013; the loan to Mr Emery is still outstanding.

12. Changes in Accounting Policies including Initial Adoption

Recently issued accounting pronouncements and their impact on the Company's accounting policies are disclosed in Note 1 to the September 2013 Interim Consolidated Financial Statements dated November 15, 2103 and the Note 1 to the 2013 Consolidated Financial Statements dated September 30, 2013 both of which are available on the Canadian SEDAR website at www.sedar.com and should be reviewed in conjunction with this document.

13. Risk Factors

The Company's risk factors are discussed in detail in the Company's AIF dated September 30, 2013 which is available on SEDAR and should be reviewed in conjunction with this document.

14. Outstanding Share Data

As at September 30, 2013, the only class of shares of the Company outstanding is common shares. As at September 30, 2013, the Company had 1,137,870,521 common shares outstanding and 49,800,000 options/ performance rights outstanding.

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 2013 Financial Statements.

Share based payment transactions
The Group 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. At each reporting period the probability that the vesting conditions will be met prior to the expiry date is assessed, this probability is taken into account when determining fair value.

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.

Derivative Financial Instruments
The fair value of the embedded derivative liability is determined based on a Black Scholes option pricing model to value this liability at each reporting period.

14. Corporate Responsibility for Financial Reports

The Company's Chief Executive Officer ("**CEO**") 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 CEO and CFO, after evaluating the effectiveness of the Company's disclosure controls and procedures as of the end of Q1 2014, 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, 2013 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; (vi) PNG State equity interest; and (vii) the ability of the Company to satisfy its debt obligations.

This MD&A and the Company's AIF dated September 30, 2013 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. Scientific and Technical Information

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.