



Ramu River - Madang Province - PNG

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KEY POINTS - YANDERA - COPPER - MOLYBDENUM - GOLD PROJECT

Project Development

- 🕒 Feasibility Study proceeding to completion with a number of significant development options decided
- 🕒 Updated mineral resource estimate imminent
- 🕒 Environmental Inception Report (EIR) completed and lodged with the PNG Department of Environment and Conservation

Exploration

- 🕒 Dirigi exploration drilling commenced with two holes completed of five hole program
- 🕒 Further stage of airborne geophysical survey nearing completion

Corporate & Financial

- 🕒 Equity financing terms announced (since quarter end) to raise up to C\$30M
- 🕒 Cash balance at quarter end of A\$21.8M (C\$22.2M)



YANDERA PROJECT, MADANG PROVINCE, PNG

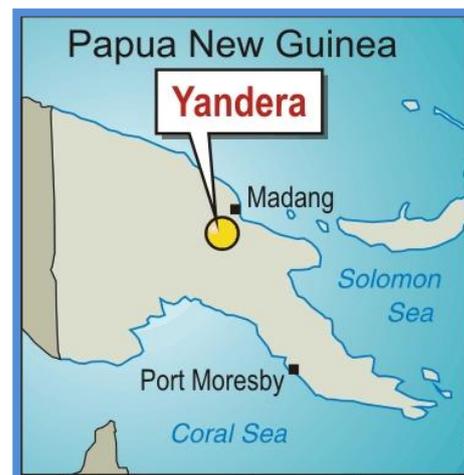
(MARENGO MINING LIMITED – 100%)

Project Development

Strategic Partners

In October 2010, the Company signed a Memorandum of Understanding (MoU) with China Nonferrous Metal Industry's Foreign Engineering and Construction Co Ltd (NFC), for the financing, construction and development of the Yandera Project.

As part of its MoU with NFC and Arcon (WA) Pty Ltd (Arcon), NFC's Australian engineering partner, these parties have agreed with Marengo to undertake the key phase of process plant design work, in addition to other areas, as agreed. This work will be undertaken at one of NFC's design institutes in China, which employ some 2,500 engineers, who are focused on the many offshore engineering and construction projects being undertaken by NFC at any one time. Arcon will provide supporting engineering services to NFC.



On 19 September 2011, the Company entered into the Yandera Project Investment and Co-operation Agreement ("the Agreement") with Petromin PNG Holdings Limited. Petromin is a resource and investment company established by the PNG Government to hold the Government's interest in, and invest in the development of mining, oil and gas projects in PNG.

The Agreement establishes the process by which a Mining Equity Agreement (MEA) will be developed by the parties under which Petromin may acquire a 30% contributing interest in the Yandera Project, once the Feasibility Study has been completed, the Mining Development Contract is entered into and a Financial Investment Decision is made. At the time of entering into the MEA Petromin will be required to reimburse Marengo a proportionate sum of Marengo's sunk costs on the Yandera Project.

Feasibility Study

The Feasibility Study is continuing in parallel with the production of information required for the various mining and environmental permits. On 5 March 2012 the Environmental Inception Report (EIR), which is the precursor to the Environmental Impact Statement (EIS) was filed with the PNG Department of Environment and Conservation.

Further review of various development options continue with a number of decisions being made as to the preferred development philosophy. Further details of these will be released once the relevant stakeholders have been briefed.

Community road shows were held during March and have identified positive attitudes towards the project from the various stakeholders in attendance. It has long been recognised by these stakeholders that the development of the Yandera Project will provide many benefits to local and regional communities.

The revised mineral resource estimate is nearing completion with release expected shortly. Close cooperation continues between Marengo, NFC and Arcon, with regard to various aspects of the study. A substantial team of consultants continue to focus on a number of the areas yet to be completed for the study.

EPC Contract

NFC has committed to provide a fixed-price Engineering Procurement and Construction (EPC) contract and will develop their proposal during 2012, with support from Arcon following completion of the Feasibility Study. At this stage, it is anticipated that this contract will be entered into during Q4 – 2012, following receipt of the EPC pricing from NFC.

Under this arrangement, Marengo will appoint NFC as the principal contractor, under a turnkey, lump sum contract which will activate NFC's role to facilitate financing for the Yandera Project, for at least 70% of the project development costs, through its nominated Chinese financial institution. Marengo has engaged Standard Bank to advise in this process.

Drilling

The 2012 field season commenced with four drill rigs in operation. However, the focus has initially been on the early completion of geotechnical drill holes, within and around the proposed plant and infrastructure sites, as part of the Yandera Feasibility Study. The information from this drilling will in part provide ground stability measurements.

Also the first two holes of the five hole exploration project at the Dirigi Prospect have been completed. The results are awaited while we complete the Dirigi programme.

Assays for three of the Omora holes drilled during the latter part of last year were received during the quarter, of which the most significant results are set out below:

In hole YD 423 the most significant intercept was 195 metres @ 0.31% Cu (including 27 metres @ 0.51% Cu).

An elevated gold assay of 0.60 g/t Au, over a 9 metre intersection is also of note.

YD423 (Omora)

Collar 293307E 9364371N Azimuth (AMG) 215. @ -50. (EOH @ 452.9m)

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
84	279	195	0.31	47	0.06	2.18
Within this broad intersection the following occur:						
111	138	27	0.51	99	0.03	3.14
192	219	27	0.37	48	0.05	1.94
228	237	9	0.38	4	0.60	2.03
255	279	24	0.49	18	0.02	4.22

During the current quarter drilling will continue to focus on infill of the central resource zones, following completion of the final geotechnical holes. The drill program covering the Dirigi Prospect will also continue during the current quarter.

Regional Exploration

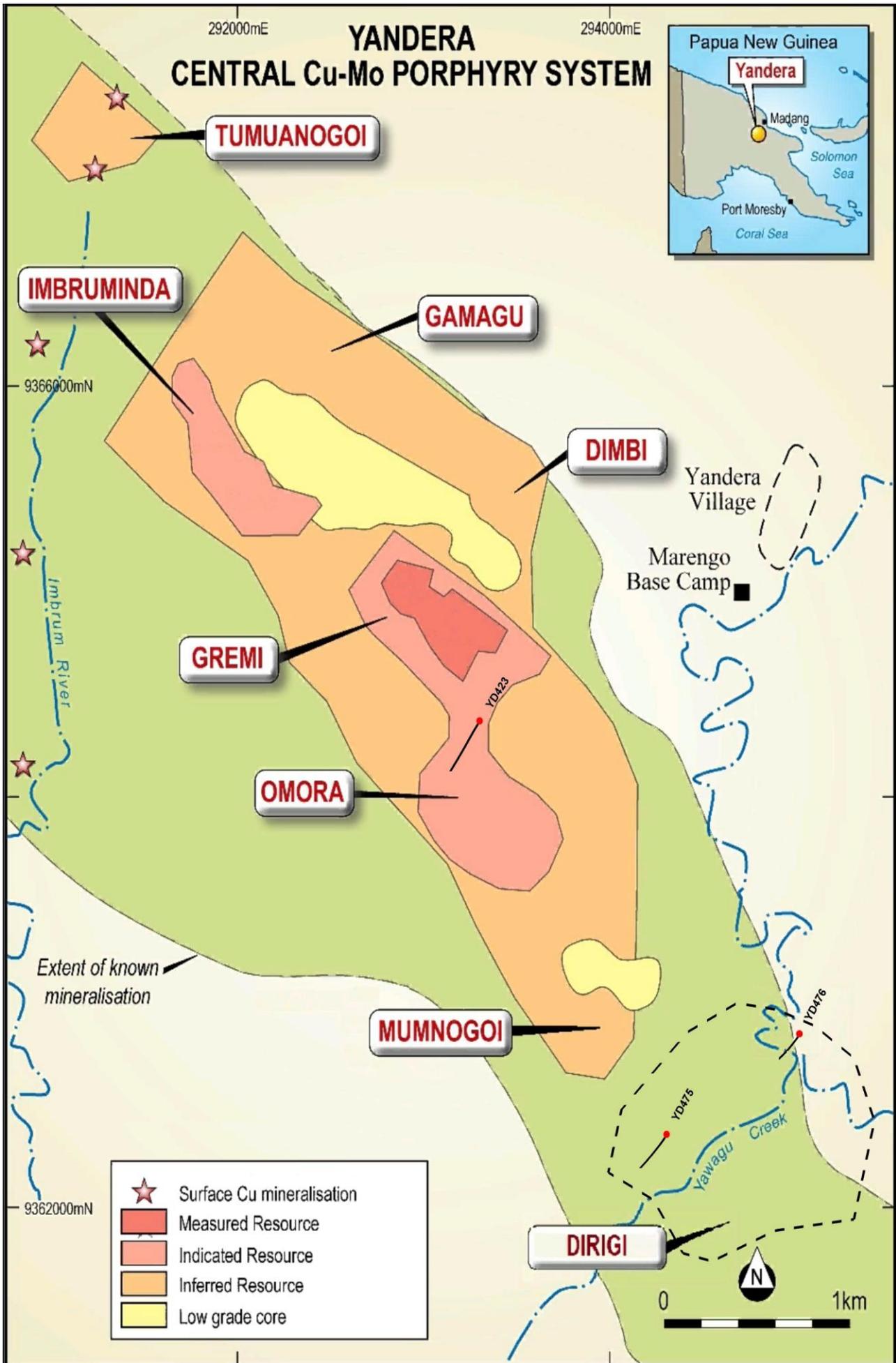
As the first quarter of any year generally coincides with the “wet” season in Papua New Guinea, the time was utilized in analysing the results from 2011 and putting plans in place for the 2012 field season.

The field work program for the rest of the year will see the completion of the stream sediment sampling campaign over Exploration Licence 1670 (Togoban), in-fill stream sediment sampling around identified anomalous gold areas in Exploration Licence 1633 (Yomi) in parallel with a ridge and spur soil sampling program.

A detailed airborne geophysical survey (magnetics and radiometrics) is currently underway, covering principally Exploration Licences 1633 and 1670. This new data is expected to be available during the current quarter. In addition, geological mapping and stream sediment sampling in recently granted Exploration Licence 1851 (Yakumbu) will be planned.



Figure 1
Yandera Central Porphyry System – Drill Location Plan



Community Matters

Marengo is committed to working with the community in all aspects of the developments associated with the Yandera Project and maintains an effective and dedicated team to manage its community affairs programs.

A community road show, held in March engaged with the local and surrounding communities to keep them fully updated on developments at Yandera and to allow them the opportunity to discuss any development concerns.

The third community newsletter is currently being completed for release during the second quarter.



Safety, Health and Environment

Safety of the workforce continues to take priority in our operations.

The Yandera Camp clinic continued to treat Marengo employees and villagers, with a number of more serious medical cases being evacuated by helicopter to Government medical facilities.

The Company's Environment Department continues to be fully engaged in the day to day monitoring of site activities and at the same time, engage with the various consultant groups in the preparation of the Feasibility Study.



Equity Financing

On 20 March the Company announced the terms of the best efforts offering (the "**Offering**") previously announced on 13 March 2012. The Offering is being led by Paradigm Capital Inc. and includes Casimir Capital Ltd.

The Company expects to raise gross proceeds of up to C\$30,000,000 from the Offering.

The Offering will be by way of the issuance of Ordinary Shares or Units where each Unit will consist of one ordinary share (an "**Ordinary Share**") of the Company and one subscription receipt. Each Subscription Receipt will be automatically converted into one ordinary share of the Company upon receipt of shareholder approval required pursuant to the listing rules of the Australian Securities Exchange (the "**Release Condition**") at a shareholder meeting held no later than 35 days following receipt for the final prospectus.

The effective price per Ordinary Share under the Offering is C\$0.25.

Cash Reserves

At the end of the quarter the Company had cash reserves of A\$21.8 Million (C\$22.2 Million).



Les Emery
Managing Director / CEO
30 April 2012

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ABOUT MARENGO MINING

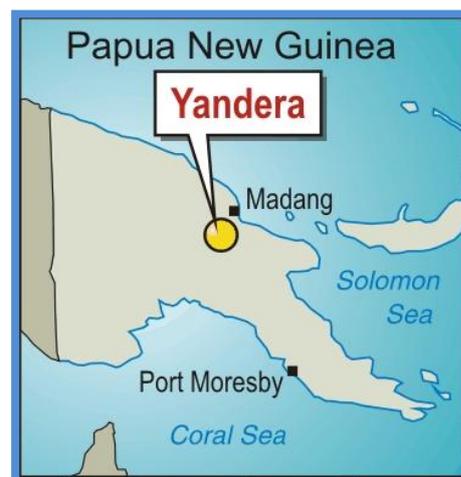
Marengo Mining Limited is an Australian-based metals company focused on the development of its Yandera Copper-Molybdenum-Gold Project in Papua New Guinea (PNG).

With its headquarters in Perth, Western Australia, Marengo listed on the Australian Securities Exchange (ASX) on November 13, 2003 and subsequently on Papua New Guinea's POMS0X exchange on November 10, 2006. Marengo reinforced its global development strategy with the successful completion of a listing on the Toronto Stock Exchange (TSX) in April 2008.

Since 2007 Marengo has successfully raised over A\$133M, underpinning the current Feasibility Study (FS) and exploration programs, on the Yandera Project.

The Yandera Project is one of the Asia Pacific's largest undeveloped copper resources. Marengo is currently completing its FS on the Yandera Project to provide the foundation for financing the development of a large scale, long life mining and processing operation. Ore production is anticipated to commence at 25Mtpa, with an initial mine life of at least 20 years.

For current resource estimates for the Yandera Project refer to the Company's website (www.marengominig.com).



CORPORATE DIRECTORY

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Chairman

Les Emery
CEO / Managing Director

Doug Dunnet
Non-Executive Director

Sir Rabbie Namaliu
Non-Executive Director

Susanne Sesselmann
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NOTES

Certain statements in this report contain forward-looking information. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the results of future exploration, risks inherent in resource estimates, increases in various capital costs, availability of financing and the acquisition of additional licences, permits and surface rights. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward looking statements in light of the risks set forth in the company's continuous disclosure filings as found at the (Canadian) SEDAR website.

Scientific and technical information in this report including that relating to drilling intercepts and mineralization but excluding the Yandera resource estimate were prepared by Mr Peter Dendle. Mr Dendle is a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Marengo Mining Limited. Mr Dendle has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). Mr Dendle is also a "Qualified Person" as defined by National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"). Mr Dendle verified the data underlying the information in this report prepared by him.

Except to the extent not set out herein, for a (i) summary description of rock types, geological controls and dimensions of mineralised zones, and the identification of any significantly higher grade intervals within a lower grade intersection; (ii) a summary of the relevant analytical values, widths and, to the extent known, the true widths of the mineralised zones; (iii) a summary description of the geology, mineral occurrences and nature of the mineralization found; and (iv) a summary description of the type of analytical or testing procedures utilized, sampled, sample size, the name and location of each analytical or testing laboratory used and any relationship of the laboratory to the issuer please refer to the Company's technical report filed on SEDAR and dated November 9, 2007. There is no drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to herein.

Mr Dendle consents in writing to the issue of this report, to the extent of matters based on his information in the form and context in which it appears.

Drill samples were analysed by Intertek Group Laboratories, Jakarta, Indonesia and by Genalysis & Intertek Laboratories, Perth, Western Australia.

For further information on the Project and the resources contained therein, please refer to the Company's Canadian NI 43-101 and Australian JORC compliant technical report "Yandera Copper Project, Madang Province, Papua New Guinea" (dated May 2011) which is available on the Company's website and at the (Canadian) SEDAR website.

It should be noted that the Memorandum of Understanding between Marengo and NFC referred to in this report is non-binding and that no party is under any obligation to proceed. Accordingly, there is no certainty that a transaction will proceed.

It should be noted that the Investment and Co-operation Agreement between Marengo and Petromin, referred to in this report is non-binding on Petromin and that Petromin is not under any obligation to proceed. Accordingly, there is no certainty that a transaction will proceed.