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**TSX: MRN
ASX & POMSoX: MGO**

NEWS RELEASE

HIGH-GRADE COPPER INTERSECTIONS STRENGTHEN POTENTIAL NEAR-SURFACE "STARTER" ZONE AT YANDERA PROJECT

Highlights

- Outstanding high-grade intersections returned from the Yandera Cu-Mo-Au Project:

Omora Zone:

- **126m @ 0.92% Cu, 700ppm Mo from 30m**
- **159m @ 0.90% Cu, 303ppm Mo from 42m**
- **186m @ 0.80% Cu, 1449ppm Mo from 42m**
- **72m @ 0.83% Cu, 392ppm Mo from 378m**
- **165m @ 0.67% Cu, 284ppm Mo from 39m**

Imbruminda Zone:

- **150m @ 0.68% Cu, 198ppm Mo from 87m**
- **114m @ 0.51% Cu, 80ppm Mo from 3m**
- **93m @ 0.49% Cu, 97ppm Mo from 24m**

- New intersections from the in-fill drilling fall within the current resource envelope at Yandera but are significantly higher grade than the average grade of the current Measured and Indicated Resource (0.43% Cu) and are not included in the recent Resource Update.
- Confirms the prospectivity of high-grade "starter" zones which have the potential to enhance revenues and cash flows in the early stages of mining.

Marengo Mining Limited (TSX: **MRN**, ASX and POMSoX: **MGO**) ("Marengo" or the "Company") is pleased to report that it has received a series of broad, near-surface high-grade copper intersections from ongoing in-fill and resource delineation diamond drilling at its flagship **Yandera Copper-Molybdenum-Gold Project** in Papua New Guinea.



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The new results, which come from the Omora and Imbruminda zones, form part of an ongoing program of resource in-fill drilling being undertaken at Yandera.

The results include some of the highest grade intersections recorded at Yandera – where over 145,000m of diamond drilling has been completed, as part of resource development activities.

The new results fall within the resource envelope for the recently updated JORC/NI 43-101 compliant resource estimate for Yandera (see *Marengo News Release – 30 May 2012*), which at a 0.25% copper cut-off grade comprises 248Mt grading 0.43% Cu Measured and 114Mt grading 0.42% Cu Indicated for a total Measured and Indicated Resource of 362Mt grading 0.43% Cu (3,407Mlbs of contained copper). Inferred Resources currently total 218Mt grading 0.37% Cu (1,778Mlbs of contained copper).

While the results are not expected to be included in a further resource update prior to the completion of the Yandera Feasibility Study, they do provide further strong evidence of the presence of high-grade, near-surface zones which are expected to enhance revenues and cash flows from mining in the early years of the targeted 20 year operations at Yandera.

The upgraded May 2012 Mineral Resource estimate included a significant increase in the Measured Resource grade, as well as areas of higher grade (+0.5% Cu) which has been identified for the initial years of possible production.

In-fill drilling is continuing at Yandera with three diamond drill rigs currently operating on site.

Some of the recent significant in-fill drilling results from the Omora zone are shown below:

YD464 (Omora; Collar 293209E 9363874N Azimuth (AMG) 000@ -90 (vertical); E.O.H 392.9 m)

From (m)	To (m)	Length (m)	Cu %	Mo ppm	Au g/t	Ag g/t
30	156	126	0.92	700	0.03	5.64

YD468 (Omora; Collar 293171E 9363910N Azimuth (AMG) 215@ -70; E.O.H 201.1 m)

From (m)	To (m)	Length (m)	Cu %	Mo ppm	Au g/t	Ag g/t
162	186	24	0.67	108	0.01	3.71

YD471 (Omora; Collar 293171E 9369104N Azimuth (AMG) 035@ -60; E.O.H 402.0 m)

From (m)	To (m)	Length (m)	Cu %	Mo ppm	Au g/t	Ag g/t
42	201	159	0.90	303	0.03	9.00

YD473 (Omora; Collar 293301E 9363914N Azimuth (AMG) 215@ -60; E.O.H 350.6 m)

From (m)	To (m)	Length (m)	Cu %	Mo ppm	Au g/t	Ag g/t
39	204	165	0.67	284	0.03	4.72

YD457 (Omora; Collar 293717E 9363907N Azimuth (AMG) 035@ -65; E.O.H 450.0 m*)

From (m)	To (m)	Length (m)	Cu %	Mo ppm	Au g/t	Ag g/t
42	228	186	0.80	1449	0.04	7.10
378	450*	72	0.83	392	0.12	3.80

This intersection has the following higher grade domain:

417	450*	33	1.25	541	0.20	5.55
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Some of the more significant in-fill drilling results from the Imbruminda Zone are shown below:

YD472 (Imbruminda; Collar 291898E 9365762N Azimuth (AMG) 215@ -60; E.O.H 408.0 m)

From (m)	To (m)	Length (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	117	114	0.51	80	0.18	1.69
267	288	21	0.79	47	0.04	1.03

YD453 (Imbruminda; Collar 291938E 9365568N Azimuth (AMG) 215@ -50; E.O.H 406.5 m)

The first intersection below occurs in the upper part of this hole and shows characteristic good Au as typical for Imbruminda mineralisation.

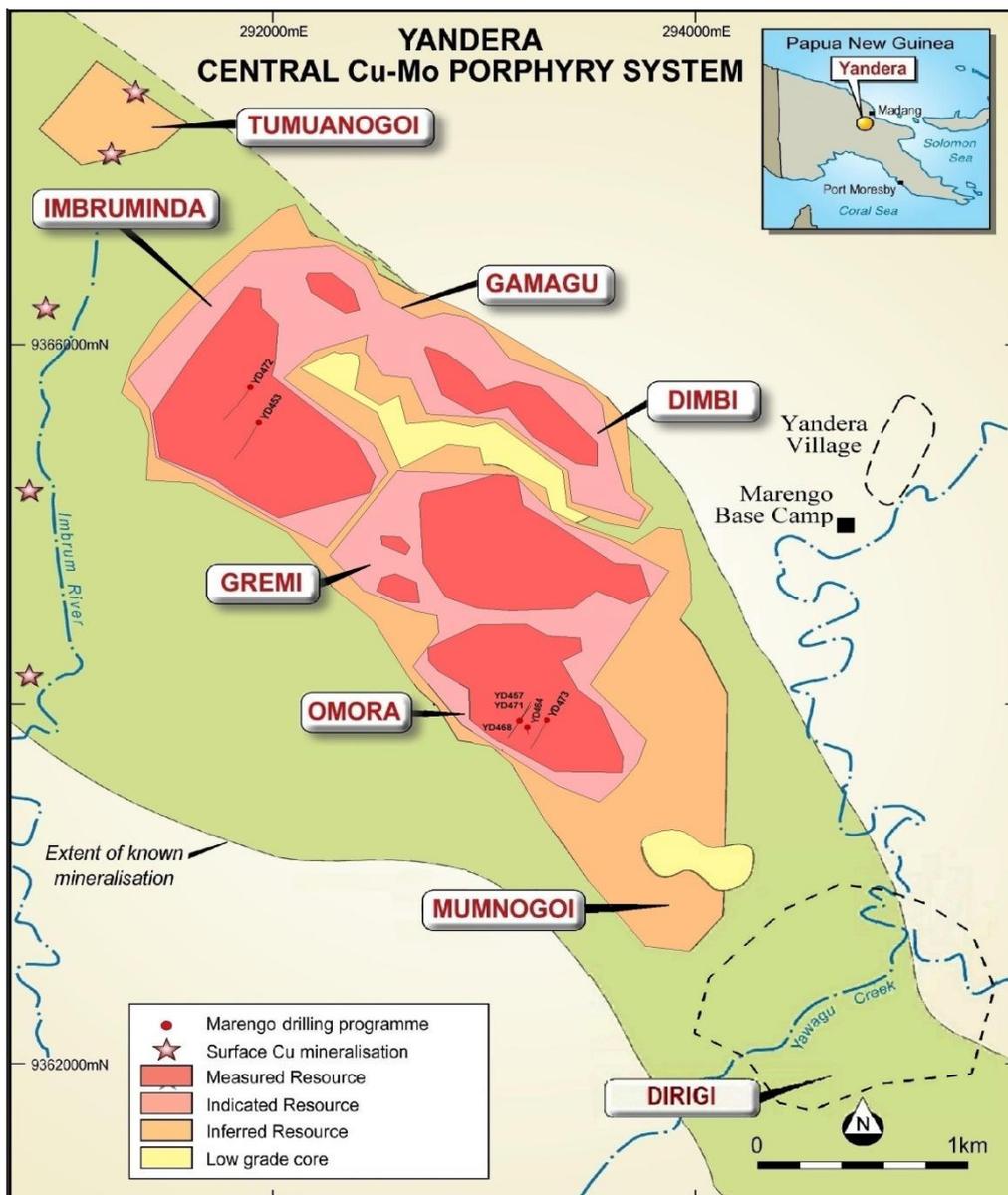
From (m)	To (m)	Length (m)	Cu %	Mo ppm	Au g/t	Ag g/t
3	57	54	0.21	34	0.15	0.84
87	237	150	0.68	198	0.10	2.09
This intersection has the following higher grade domain:						
129	207	78	0.84	241	0.13	2.21

Commenting on the results, Marengo's Managing Director and CEO, Mr Les Emery, said:

“It’s great to see results like this come from our ongoing in-fill drilling programs at Yandera. The recent drilling has returned individual intersections of up to 186m and grades in some instances of close to one per cent copper – double the average resource grade of the Project, and among our best ever drill results.

“These intersections from Yandera provide further evidence of the potential of the Yandera Project, both through its long life mining potential as well as identified higher grade initial production areas. The high-grade ‘starter’ zones we continue to delineate are of great strategic importance to the project, as they have the potential to enhance returns in the early years of operations and accelerate capital payback.”

Figure 1- Yandera Central Porphyry System – Drill Location Plan



Technical Information

The contents of this release have been approved by Mr. Karl Smith and Mr. Stephen Hyland, "qualified persons" as set out in Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience.

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 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.

For further information on the Yandera Project, including a description of Marengo's standard data verification processes, quality assurance and quality control measures, and details of the key assumptions, parameters and methods used to estimate the mineral resources set out in this report and the extent to which the estimate of previously declared mineral resources set out herein may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or relevant issues, readers are directed to the technical report entitled "Technical Report on the Yandera Copper-Molybdenum-Gold Project Madang Province, Papua New Guinea", dated May 14, 2012.

The resources disclosed herein are preliminary in nature and include inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them to be categorized as mineral reserves. There is no certainty that the mineral resources disclosed herein will be realized or converted to mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Cautionary Statement Regarding Forward-Looking Information

This news release contains forward looking information. Such forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or to be achieved and any other similar expressions. In providing the forward-looking information in this news release, the Company has made numerous assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) that the results of the FS continue to be positive; and (iv) that future exploration results are as anticipated. Management believes that these assumptions are reasonable. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking information. Some of these risks, uncertainties and other factors are described under the heading "Risks Factors" in the Company's annual information form available on the *SEDAR* website. Forward-looking information is based on estimates and opinions of management at the date the statements are made. Except as required by law, Marengo does not undertake any obligation to update forward-looking information even if circumstances or management's estimates or opinions should change. Readers should not place under reliance on forward-looking information.

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