



**ABN 57 099 496 474**

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
EXPLANATORY STATEMENT  
AND  
MANAGEMENT INFORMATION CIRCULAR  
AND  
PROXY FORM**

in respect of an  
**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

to be held at 4:00 pm (WST) on Thursday, 8 November 2012

The Celtic Club  
48 Ord Street  
WEST PERTH WA

**As at and dated 28 September 2012**

The **2012 Annual Report** may be viewed on the Company's website at

***[www.marengominig.com](http://www.marengominig.com)***

**IMPORTANT INFORMATION**

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

**MARENGO MINING LIMITED**  
**ABN 57 099 496 474**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the "**Meeting**") of holders (the "**Shareholders**") of ordinary shares of Marengo Mining Limited ABN 57 099 496 474 (the "**Company**") will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 8 November 2012 at 4:00 pm WST for the purpose of transacting the following business, in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

**Financial Statements**

To receive the audited financial statements of the Company for the financial year ended 30 June 2012, and the report of the auditors and directors thereon.

**Resolution 1 – Non Binding Resolution to adopt Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, approval is given for the Remuneration Report forming part of the Company's 2012 Annual Report to be adopted."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

**Short Explanation:** section 250R of the Corporations Act requires a listed company to put to Shareholders at each AGM a resolution adopting the report on the remuneration of the Company's Directors, executives and senior managers included in the Company's Annual Report. The above resolution is being proposed to comply with this requirement. The vote on this resolution is advisory and does not bind the Company's Directors.

A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the Annual General Meeting.

**Resolution 2 – Re-election of John Hick as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That John Hick, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be re-elected a Director of the Company."*

**Short Explanation:** Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election.

**Resolution 3 – Re-election of Elizabeth Martin as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Elizabeth Martin, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered herself for re-election, be re-elected a Director of the Company."*

**Short Explanation:** Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election.

**Resolution 4 – Increase in Non-Executive Directors' Fees**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, pursuant to and in accordance with Listing Rule 10.17 and for all other purposes, the maximum aggregate non-executive Directors' fees payable to Directors be increased by \$250,000 to \$750,000 for each financial year commencing 1 July 2012."*

**Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by a Director and any associates of a Director.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Resolution 5 – Approval of 10% Placement Facility**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Other Business**

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

## Definitions

For the purposes of Resolutions 1 and 5 and the Explanatory Statement accompanying this Notice, the following definitions apply (unless otherwise defined in the Explanatory Statement):

"**10% Placement Period**" has the meaning set out on page 9 of the Explanatory Statement;

"**Accounting Standards**" has the meaning given to that term in the Corporations Act;

"**AGM**" means annual general meeting;

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors;

"**Closely Related Party**" has the meaning given to that term in the Corporations Act;

"**Company**" means Marengo Mining Limited ABN 57 099 496 474;

"**Constitution**" means the Company's constitution, as amended from time to time;

"**Corporations Act**" means Corporations Act 2001 (Cth);

"**Directors**" means the directors of the Company;

"**Explanatory Statement**" means the explanatory statement accompanying this Notice;

"**Insiders**" means an insider of the Company as defined in the *Securities Act* (Ontario), as amended from time to time, other than a person who falls within such definition solely by virtue of being a director or senior officer of a subsidiary of the Company;

"**Key Management Personnel**" has the meaning given to that term in the Accounting Standards.

"**Listing Rules**" means the Listing Rules of the ASX;

"**Management Information Circular**" means that management information circular accompanying this Notice of Explanatory Statement;

"**Notice**" means this notice of the Meeting;

"**Option**" means an option to acquire a Share;

"**Performance Right**" means a right to acquire a Share issued in accordance with the Company's performance rights incentive plan;

"**Resolution**" means a resolution contained in this Notice;

"**Restricted Voter**" means Key Management Personnel and their Closely Related Parties.

"**Share**" means a fully paid ordinary share in the capital of the Company;

"**Shareholder**" means the holder of a share;

"**TSX**" means the Toronto Stock Exchange; and

"**Warrant**" means a warrant to acquire a Share;

"**WST**" means Australian Western Standard Time.

Capitalised terms referred to in this Notice are defined in the Explanatory Statement.

Shareholders are referred to the Explanatory Statement and Management Information Circular for more information with respect to the matters to be considered at the Meeting.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in accordance with its instructions and in accordance with the following:

1. in respect of Shareholders registered on the Company's Australian share register, prior to 4:00 pm WST on 6 November 2012 by:
  - (i) facsimile to the Company at (08) 9429 0099 (International +61 8 9429 0099) or to Computershare Investor Services Pty Ltd at 1 800 783 447 (International: +61 3 9473 2555); or
  - (ii) delivery to the registered office of the Company at Level 1, 9 Havelock Street, West Perth, Western Australia 6005 or Computershare Investor Services Pty Ltd at Level 1, 45 St George's Terrace, Perth, Western Australia 6000; or
  - (iii) mail, to the Company at PO Box 289, West Perth, Western Australia 6872 or Computershare Investor Services Pty Ltd at GPO Box 242, Melbourne, Victoria, 3001.
2. in respect of Shareholders registered on the Company's Canadian register, prior to 4:00 pm WST on 6 November 2012 by mail to Computershare Investor Services Inc, at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 or by facsimile at 1 866 249 7775.
3. in respect of Shareholders registered on the Company's Papua New Guinea register, not later than 48 hours prior to the Meeting, or any adjournment thereof (excluding Saturdays, Sundays and holidays) by mail to PNG Registries Limited Level 2, AON Haus McGregor Street, Port Moresby, PO Box 1265, Port Moresby, NCD, Papua New Guinea or by facsimile 675 321 6379.

If you are a beneficial Shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

The directors of the Company have fixed 5 October 2012 as the record date for Shareholders that are entitled to receive notice of the Meeting and 5:00 p.m. WST on 6 November 2012 as the record date for Shareholders entitled to vote at the Meeting.

**By Order of the Board of Directors**



**John Ribbons**  
**Company Secretary**

**Dated:** 28 September 2012

**MARENGO MINING LIMITED**

**ABN 57 099 496 474**

**EXPLANATORY STATEMENT AND MANAGEMENT INFORMATION CIRCULAR**

This Explanatory Statement and Management Information Circular is furnished in connection with the solicitation of proxies by Marengo Mining Limited (“**Marengo**” or the “**Company**”) for use at the annual general meeting of the holders of the ordinary shares of the Company (the “**Shareholders**”) to be held on Thursday, 8 November 2012 at 4:00 pm WST, and any adjournment thereof (the “**Meeting**”), at the place and for the purposes set forth in the accompanying Notice of Meeting.

**EXPLANATORY STATEMENT**

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the matters set forth in the notice of meeting attached hereto (the “**Notice**”) for approval at the Meeting. The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision regarding the matters set forth in the Notice.

**2012 Financial Statements**

To receive the financial statements of the Company for the year ended 30 June 2012, consisting of the Annual Financial Report, the Directors’ Report and the Auditor’s Report.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chair of the Meeting will also provide shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

**Resolution 1 - Adoption of Remuneration Report**

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- information about the Board’s policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- a description of the relationship between the Company’s remuneration policy and the Company’s performance;
- a summary of performance conditions for each of the Directors and senior executives, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for each Director and for each of the Company’s specified executives.

The Remuneration Report, which is part of the 2012 Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the 2012 Annual Report are available by contacting the Company’s share register or visiting the Company’s web site [www.marengomining.com](http://www.marengomining.com).

The vote on the Resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2012 AGM, and then again at the 2013 AGM, the Company will be required to put a resolution to the 2013 AGM, to approve calling an extraordinary general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the 2013 AGM. All of the Directors who were in office when the 2013 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

### **Voting on the Remuneration Report**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

### **Resolution 2 - Re-Election of John Hick as a Director**

The Board presently consists of seven (7) Directors: Mr John Horan, Mr Leslie Emery (also the Company's Managing Director), Dr Douglas Dunnet, Sir Rabbie Namaliu, Ms Susanne Sesselmann, Mr John Hick and Ms Elizabeth Martin.

In accordance with the Company's Constitution, the directors of the Company shall be elected and shall retire in rotation, with one-third of the directors (excluding the Managing Director and rounded down to the nearest whole number) subject to election at each annual general meeting of Shareholders held to elect directors.

Based on the foregoing, pursuant to the Company's Constitution Mr Hick must retire from office as of the Meeting. However, being eligible, Mr Hick offers himself for re-election. Mr Hick has been a Director of the Company since 2008 and was re-elected by shareholders in 2010. If re-elected, Mr Hick will hold office for a term of three years from the date of his election or until Mr Hick is required to seek re-election pursuant to the Company's Constitution at an annual general meeting of Shareholders following such date, whichever is earlier.

Mr John Hick has over 25 years of experience in the mining industry in both senior management positions and as an independent director, during which he has spent the majority of his time based in Toronto, Canada.

He is currently President and CEO of his own consulting company, John W. W. Hick Consultants Inc., and acts as an independent director of a number of Toronto Stock Exchange ("TSX") and TSX Venture Exchange listed companies.

Previously, Mr Hick has held senior management positions in a number of mining companies, including President and CEO and a director of Medoro Resources Ltd from October 2009 to September 2010, CEO of Rio Narcea Gold Mines, Ltd from December 2004 to January 2006, President and CEO of Geomaque Exploration Inc./Defiance Mining Corporation from December 2001 to September 2004 and President of TVX Gold Inc. from 1993 to 1997. Mr Hick is a member of the Law Society of Upper Canada, but he is not currently practising law.

The Directors recommend that Shareholders vote in favour of the re-election of Mr Hick.

### Resolution 3 - Re-Election of Elizabeth Martin as a Director

The Board presently consists of seven (7) Directors: Mr John Horan, Mr Leslie Emery (also the Company's Managing Director), Dr Douglas Dunnet, Sir Rabbie Namaliu, Ms Susanne Sesselmann, Mr John Hick and Ms Elizabeth Martin.

In accordance with the Company's Constitution, the directors of the Company shall be elected and shall retire in rotation, with one third of the directors (excluding the Managing Director and rounded down to the nearest whole number) subject to election at each annual general meeting of Shareholders held to elect directors.

Based on the foregoing, pursuant to the Company's Constitution Ms Martin must retire from office as of the Meeting. However, being eligible, Ms Martin offers herself for re-election. Ms Martin has been a Director of the Company since 2008. Ms Martin last retired from office at the Company's 2009 annual general meeting and was re-elected as a director at that meeting. If re-elected, Ms Martin will hold office for a term of three years from the date of her election or until Ms Martin is required to seek re-election pursuant to the Company's Constitution at an annual general meeting of Shareholders following such date, whichever is earlier.

Ms Martin is a Toronto based, professional accountant with a strong background in international exploration and mining companies. She is a member of the Institute of Corporate Directors and has held senior and executive management roles in base metal and precious metal companies such as Northgate Mines Inc., Western Mining Corporation Limited, IAMGOLD Corporation and High River Gold Mines Ltd.

Ms Martin is currently a director of Aura Minerals Inc. Ms Martin is also past Chair of the Board of St. John's Rehabilitation Hospital and is currently on the board of directors of Sunnybrook Health Sciences Centre, Sunnybrook Research Institute as well as the HealthCare Insurance Reciprocal of Canada, all located in Toronto.

The Directors recommend that Shareholders vote in favour of the election of Ms Martin.

The following table sets out the name of the nominee for re-election as a Director of the Company and each Director whose term of office as a Director will continue after the Meeting, the province or state and the country in which each is ordinarily resident, all offices of the Company now held by each of them, their present principal occupations, business or employment, the period of time for which each has been a Director of the Company, and the number of Shares of the Company or its subsidiary beneficially owned by each, or over which control or direction is exercised, directly or indirectly as at the date hereof.

<u>Name and Residence<sup>(1)</sup></u>	<u>Position with the Company</u>	<u>Principal Occupation or Employment<sup>(1)</sup></u>	<u>Period as a Director of the Company</u>	<u>No. of Shares beneficially owned directly or indirectly<sup>(1)</sup></u>
<b>John Horan<sup>(4)</sup></b> South Australia, Australia	Non-Executive Chairman	Principal of Adelaide Resource Management Pty Limited (provides consulting services to various public and private companies including Marengo)	Since 23 April 2002	1,360,000
<b>Les Emery<sup>(3)</sup></b> Western Australia, Australia	Managing Director	Managing Director of Marengo Mining Limited	Since 23 April 2002	5,935,000
<b>Douglas Dunnet<sup>(2)</sup></b> New South Wales,	Non-Executive Director	Geologist, currently retired, formerly providing consulting	Since 23 April 2002	567,869

<u>Name and Residence<sup>(1)</sup></u>	<u>Position with the Company</u>	<u>Principal Occupation or Employment<sup>(1)</sup></u>	<u>Period as a Director of the Company</u>	<u>No. of Shares beneficially owned directly or indirectly<sup>(1)</sup></u>
Australia		services		
<b>Sir Rabbie Namaliu<sup>(3)</sup></b> East New Britain, Papua New Guinea	Non-Executive Director	Director of Kramer Ausenco (PNG), Kina Asset Management Limited, Bougainville Copper Limited and Kina Securities Limited and former member of PNG National Parliament	Since 11 February 2008	210,200
<b>Susanne Sesselmann</b> Bavaria, Germany	Non-Executive Director	Director of the Sentient Group <sup>(5)</sup> (a private equity resources fund)	Since 15 May 2008	184,000
<b>John Hick<sup>(2)(4)</sup></b> Ontario, Canada	Non-Executive Director	Independent consultant and director of the following public companies Carpathian Gold Inc, Eurotin Inc, First Bauxite Corporation, First Uranium Corporation, Hudson Resources Inc. and St Andrew Goldfields Ltd.	Since 10 June 2008	Nil
<b>Elizabeth Martin<sup>(2)(4)</sup></b> Ontario, Canada	Non-Executive Director	Director of Aura Minerals Inc. a publicly traded company.	Since 10 June 2008	Nil

Notes:

- (1) The information as to residence, principal occupation and shares beneficially owned is not within the knowledge of management of the Company and has been furnished by the respective individuals.
- (2) Member of the Audit and Risk Committee.
- (3) Member of the Safety and Environment Committee.
- (4) Member of the Human Resources and Compensation Committee.

**Resolution 4 – Increase in Non-Executive Directors’ Fees**

Listing Rule 10.17 and the Company’s Constitution provide that the maximum aggregate amount of the remuneration payable as Directors fees to non executive Directors is to be determined by shareholders in a general meeting.

Executive Directors receive salary and other remuneration in accordance with the terms of their employment agreements, but do not receive Directors’ fees. The remuneration paid by the Company to the executive Directors is not included in the maximum aggregate amount of Directors’ fees for the purpose of this Resolution.

Resolution 4 seeks shareholder approval to increase the aggregate amount of fees payable to non-executive Directors in each financial year from 1 July 2012 to \$750,000 (an increase of \$250,000) to provide the Board with flexibility to appoint further non-executive independent Directors to enhance the capability of the Board and deal with the various interests of the Company now and in the future.

The Directors do not intend utilising the entire maximum sum of \$750,000 in the first instance. By having an increase in the maximum amount that can be paid to Directors, the Directors have the flexibility to seek new independent non-executive Directors to the Board as and when appropriate. The increase should also be seen in light of the possibility there may in the future be an increase in the number of Directors and provides flexibility to attract and remunerate any additional suitable Board candidates.

## **Resolution 5 – Approval of 10% Placement Facility**

### **General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to (c)).

### **Description of Listing Rule 7.1A**

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue four classes of Equity Securities: Shares, Options, Warrants and Performance Rights. The Shares are the only class of Equity Securities that are quoted.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%;

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has 1,137,720,551 Shares on issue. The Company is seeking Shareholder approval on 12 October 2012 to ratify the issue of 133,333,333 Shares under Listing Rule 7.4. Therefore subject to Shareholder approval on 12 October 2012 the Company will have a capacity to issue:

- (i) 170,658,082 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 5, 113,772,055 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to (c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

**Listing Rule 7.1A**

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options and Warrants, only if the Options and Warrants are exercised; and the case of Performance Rights, only if the Performance Rights vest). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.055 50% decrease in Issue Price	\$0.11 Issue Price	\$0.22 100% increase in Issue Price
Current Variable A 1,137,720,551 Shares	10% voting dilution	113,772,055 Shares	113,772,055 Shares	113,772,055 Shares
	Funds raised	\$6,257,463	\$12,514,926	\$25,029,852
50% increase in current Variable A 1,706,580,826 Shares	10% voting dilution	170,658,082 Shares	170,658,082 Shares	170,658,082 Shares
	Funds raised	\$9,386,194	\$18,772,389	\$37,544,778
100% increase in current Variable A 2,275,441,102 Shares	10% voting dilution	227,544,110 Shares	227,544,110 Shares	227,544,110 Shares
	Funds raised	\$12,514,926	\$25,029,852	\$50,059,704

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options or Warrants are exercised and no Performance Rights vest.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issues of Equity Securities under the 10% Placement Facility consists only of Shares.

- (vii) The issue price is \$0.11, being the closing price of the Shares on ASX on 25 September 2012.
- (c) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
  - (i) non-cash consideration for the acquisition of the new resources assets. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (iii) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (iv) the effect of the issue of the Equity Securities on the control of the Company;
- (v) the financial situation and solvency of the Company; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources, assets or investments.

- (e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## MANAGEMENT INFORMATION CIRCULAR

**The Company is a reporting issuer in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators, the following disclosure is required to be included with this Explanatory Statement.** The Board has established the close of business on October 5, 2012 as the date to determine which shareholders are entitled to receive a copy of these meeting materials pursuant to National Instrument 54-101 of the Canadian Securities Administrators.

### Purpose of Solicitation

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting of the Company. The Meeting will be held at **48 Ord Street, West Perth, Western Australia**, on **November, 8 2012** at 4:00 pm WST, for the purposes set forth in the Notice accompanying this Explanatory Statement and Management Information Circular.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefor. Brokers, nominees or other persons holding Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by the Company.

### Appointment of Proxies

Enclosed herewith is a form of proxy for use at the Meeting. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder's behalf at the Meeting other than the person designated in the form of proxy and may exercise such right by inserting the full name of the desired person in the blank space provided in the form of proxy.**

A proxy will not be valid unless it is signed by the Shareholder or by the Shareholder's attorney duly authorised in writing or, if the Shareholder is a corporation, executed by a duly authorised officer in accordance with the instructions attached on the enclosed form of proxy. The proxy to be acted upon must be delivered:

1. in respect of Shareholders registered on the Company's Australian share register, prior to **4:00 pm** WST on **6 November 2012** by:
  - (i) facsimile to the Company at (08) 9429 0099 (International +61 8 9429 0099) or to Computershare Investor Services Pty Ltd at 1 800 783 447 (International: +61 3 9473 2555); or
  - (ii) delivery to the registered office of the Company at Level 1, 9 Havelock Street, West Perth, Western Australia 6005 or Computershare Investor Services Pty Ltd at Level 1, 45 St George's Terrace, Perth, Western Australia 6000; or
  - (iii) mail to the Company at PO Box 289, West Perth, Western Australia 6872 or Computershare Investor Services Pty Ltd at GPO Box 242, Melbourne, Victoria 3001 (reply paid envelope);
2. in respect of Shareholders registered on the Company's Canadian register, prior to 4:00 pm WST on 6 November 2012 by mail to Computershare Investor Services Inc, at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 or by facsimile at 1 866 249 7775.

3. in respect of Shareholders registered on the Company's Papua New Guinea register, not later than 48 hours prior to the Meeting, or any adjournment thereof (excluding Saturdays, Sundays and holidays) by mail to PNG Registries Level 2, AON Haus McGregor Street, Port Moresby, PO Box 1265, Port Moresby, NCD, Papua New Guinea or by facsimile 675 321 6379.

### Revocation of Proxies

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

### Voting of Proxies

The form of proxy accompanying this Explanatory Statement and Management Information Circular confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the appointment of proxy form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

### Advice for Beneficial Holders

Shares may not be registered in the Shareholder's name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). **A non-registered shareholder cannot be recognised at the Meeting for the purpose of voting their Shares unless such holder is appointed by the applicable intermediary as a proxyholder.**

In Canada, non-registered owners who have not objected to their intermediary disclosing certain ownership information about themselves to Marengo are referred to as non-objecting beneficial owners ("**NOBOs**"). Those non-registered owners who have objected to their intermediary disclosing ownership information about themselves to Marengo are referred to as objecting beneficial owners ("**OBOs**").

The Company has distributed copies of the Meeting materials to intermediaries for distribution to all NOBOs and OBOs who have not waived their rights to receive these materials. Often, intermediaries will use a service company (such as Broadridge Financial Solutions Inc.) to forward these meeting materials to non-registered Shareholders. With those meeting materials the intermediaries will provide NOBOs and OBOs with a form of voting instruction form (a "**VIF**"). When properly completed this VIF will constitute voting instructions which the intermediary must follow.

The mechanisms described above for registered Shareholders cannot be used by non-registered shareholders and the instructions on the VIF **must** be followed. The VIF is provided instead of a proxy. By returning the VIF in accordance with its instructions, a non-registered owner is able to direct how his or her Shares are to be voted at the Meeting.

The purpose of these procedures is to allow non-registered Shareholders to direct the voting of the shares that they own but that are not registered in their name. Should a non-registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on his behalf), the non-registered Shareholder should carefully follow the instructions provided on the VIF.

Proxies returned by intermediaries as “non-votes” because the intermediary has not received instructions from the non-registered Shareholder with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such broker “non-votes” will, however, be counted in determining whether there is a quorum.

#### **Interest of Certain Persons or Companies in Matters to be Acted Upon**

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting, with the exception of the individuals listed in Resolutions 2, 3 and 4 as detailed in the Explanatory Statement attached hereto.

#### **Voting Shares and Record Date**

The authorised capital of the Company consists of an unlimited number of ordinary shares of which, as of 28 September 2012, 1,137,720,551 ordinary shares were issued and outstanding as fully paid. The ordinary shares are the only shares of the Company entitled to be voted at the Meeting and subject to certain exclusions of votes described above, each ordinary share is entitled to one vote at the Meeting.

The directors of the Company have fixed October, 5 2012 as the record date for determining the Shareholders of the Company entitled to receive the Notice of Meeting and 4:00 pm (WST) on 6 November 2012 as the record date for determining the Shareholders of the Company entitled to vote at the Meeting.

**A simple majority of votes cast are required to approve all matters to be submitted to a vote of Shareholders at the Meeting.**

#### **Principal Holders of Shares**

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, or exercises control or direction over directly or indirectly, Shares carrying 10% or more of the votes attached to all of the issued and outstanding Shares other than:

<u>Name</u>	<u>Total Number of Shares Owned, Controlled or Directed</u>	<u>Percentage of Voting Shares</u>
Sentient Executive GP II Ltd.	249,953,080	21.97%
Quantum Partners LDC	187,514,934	16.49%

The Sentient Group owns, controls or directs, directly or indirectly, 249,953,080 shares, or 21.97% of the issued and outstanding Shares of the Company.

#### **Election of Directors**

For information concerning the election of directors, please refer to the attached Explanatory Statement.

No proposed director is or has, within the past ten years, been a director, chief executive officer or chief financial officer of any other issuer that, while that person was acting in that capacity:

- (1) was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under securities legislation that was issued while the proposed director was acting in that capacity;

- (2) was subject to a cease trade or similar order or an order that denied the relevant issuer access to any exemption under Canadian securities legislation which resulted from an event that occurred while that person was acting in that capacity; or
- (3) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity.

Mr John Hick was a director and non-executive Chairman of the Board of Tamaya Resources Limited, an Australian incorporated and ASX listed company, which made a Voluntary Appointment of an Administrator, Ernst & Young (Australia), as a result of becoming insolvent. The reasons for the insolvency are summarised in the Questionnaire and Report to the Administrators dated November 14, 2008, as filed with the ASX. As a result of the Voluntary Administration, effective upon the appointment of the Administrators on October 26, 2008, the appointed Administrators immediately assumed all legal powers, rights and obligations of the directors of Tamaya and the directors had no legal rights with respect to the administration or management of Tamaya or its assets.

Mr Hick was also a director of Timminco Limited which was granted protection under the Companies Creditors Arrangement Act ("CCAA") on January 3, 2012. As a result the CCAA filing, the TSX delisted the company effective February 6, 2012. On August 17, 2012, with the approval of the Judge overseeing the CCAA process, a professional Receiver was appointed to manage the voluntary bankruptcy and winding up of Timminco and all of the Directors resigned effect that date.

No proposed director has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

No proposed director has been subject to either: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

### **Statement of Corporate Governance Practices**

National Instrument 58-101 of the Canada Securities Administrators – *Disclosure of Corporate Governance Practices* ("NI 58-101") requires that the Company disclose in this Management Information Circular its system of corporate governance. NI 58-101 also sets out a series of guidelines for effective corporate governance which address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members.

#### *Board of Directors*

The Board of the Company is currently comprised of seven directors, a majority are independent. Specifically, all of the directors other than Mr Emery, Mr Horan and Ms Sesselmann are independent within the meaning of NI 58-101. Mr Emery is not independent as he is currently the Managing Director of the Company. The Chair of the Board, Mr Horan is not independent within the meaning of NI 58-101.

The Board will regularly excuse management from part of its meetings and meet in non-executive session. A total of 12 Board meetings have been held, none of which excluded members of management.

MARENCO MINING LIMITED  
Notice of Annual General Meeting

The attendance record of the Directors at meetings of the Board held since the beginning of the Company's most recently completed financial year was as follows.

Director	Board of Directors Meeting (Non-Independent)	Board of Directors Meeting (Independent)	Audit and Risk Committee Meeting
John Horan	12/12	N/A	5/5
Les Emery	11/12	N/A	N/A
Douglas Dunnet	N/A	12/12	5/5
Sir Rabbie Namaliu	N/A	12/12	N/A
Susanne Sesselmann	9/12	N/A	N/A
John Hick	N/A	10/12	N/A
Elizabeth Martin	N/A	11/12	5/5

*Other Directorships*

The following directors of the Company are directors of other issuers that are reporting issuers or the equivalent in Canada or elsewhere:

Director	Reporting Issuer
John Horan	Adelaide Resources Limited
Les Emery	Nil
Douglas Dunnet	Nil
Sir Rabbie Namaliu	Bougainville Copper Limited and Kina Asset Management Limited
Susanne Sesselmann	The Sentient Group Limited, Sentient Executive GP I Limited, Sentient Executive GP II Limited, Sentient Executive GP III Limited, Metals Recycling Limited, Sentient China Investments Ltd, Sentient Trustees PTC Limited and Sentient China Titanium Investments Limited
John Hick	Carpathian Gold Inc, Eurotin Inc, First Bauxite Corporation, First Uranium Corporation, Hudson Resources Inc. and St Andrew Goldfields Ltd.
Elizabeth Martin	Director of Aura Minerals Inc.

*Board Mandate*

The Board is responsible for the protection and enhancement of long-term shareholder value. To fulfill this role, the Board is responsible for the overall corporate governance of the Company including formulating its strategic direction.

To assist in the execution of its responsibilities, the Board has established a number of Committees. Business risk management processes are also constantly monitored.

*Position Descriptions*

The Board has not adopted written position descriptions for the Chairman of the Board on the basis that the role of the Chairman of the Board is well understood by all of the directors. Similarly, the Board has not adopted a written position description for the Managing Director, Mr Emery, on the basis that his role and responsibilities are well understood by him and by the other directors. The role of chair of the Audit and Risk Committee is set out in its charter.

*Orientation and Continuing Education*

The Company does not provide a formal orientation or education program for new directors. However, new directors are educated about the nature and operation of the Company's business, current issues, corporate strategy and the role of the Board, its committees and its directors by the current directors and senior officers. The Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

*Ethical Business Conduct*

The Board has adopted a written code for ethical business conduct, and a copy may be obtained from Mr John Ribbons or Mr Mark Churchward, Joint Company Secretaries, at +61 (08) 9429 0000. The code applies to all employees, officers, directors and consultants. The Board monitors compliance with the code by requiring management to assume responsibility for the conduct of those who report to them. This means ensuring that the code is clearly communicated, leading by example and ensuring controls are established and maintained to prevent or detect breaches. To encourage ethical business practices, with the prior approval of the Chair, each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfill his duties and responsibilities as a director. In addition, the Company is of the view that fiduciary duties placed on individual directors by applicable legislation and restrictions in applicable legislation respecting participation in Board decisions in which an individual director has an interest ensures that the Board operates independently of management and in the best interests of Shareholders.

#### *Nomination and Compensation of Directors*

The Board has established a Corporate Governance and Nomination Committee. The Corporate Governance and Nomination Committee is responsible for all matters related to director recruitment, orientation, compensation and continuing education and evaluations of the Board, its committees and its members including periodically assessing the skills present on the Board, making recommendations as to whether and how those skills ought to, or could be, enhanced, implementing a process for the identification of suitable candidates for appointment to the Board.

#### *Compensation*

The Board has established a Human Resources and Compensation Committee (the "**Human Resources and Compensation Committee**"). The Human Resources and Remuneration Committee is comprised of John Hick (Chairman), John Horan and Elizabeth Martin. The executive director receives a base salary (which is based on factors such as length of service and experience) and superannuation. Executive packages are reviewed annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. The executive director receives a superannuation guarantee contribution required by the government, which is currently 9%.

Non executive directors are remunerated at market rates for comparable companies for time, commitment and responsibilities. Remuneration paid to non executive directors is reviewed annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The Human Resources and Compensation Committee is responsible for, among other things, evaluating the performance of the Company's management in light of the Company's performance and making recommendations to the Board with respect to the compensation level for the Company's management based on this evaluation. The Human Resources and Compensation Committee reviews compensation annually. Further information regarding the activities and recommendations of the Human Resources and Compensation Committee is provided above under "Executive Compensation".

#### *Other Board Committees*

The Board currently has no standing committees other than the , Human Resources and Compensation Committee, Corporate Governance and Nomination Committee and Safety, Health and Environment Committee. The information prescribed by Part 5 of NI 52-110 is set out under the heading "Audit and Risk Committee and Relationship with Auditors" in the Company's Annual Information Form dated 28 September 2012.

The primary objective of the Safety, Health and Environment Committee is to assist the Board to discharge its responsibilities in the following areas:

- (1) ensuring the Company adopts, maintains and applies appropriate safety and environment policies and procedures;
- (2) ensuring that the Company maintains effective safety and environment related internal control and risk management systems; and

- (3) providing a formal forum for communication between the Board and senior management in safety and environment matters, both Company specific and otherwise.

The members of the Safety, Health and Environment Committee are Sir Rabbie Namaliu (Chairman), Mr Emery and Mr Hick.

#### *Assessments*

Given the size of the Company, assessments of the Board, its committees and its directors are carried out periodically on an informal basis. To date, the Board has not found it necessary to institute any formal process in order to satisfy itself that the Board, its committees and its individual directors are performing effectively.

#### **Audit and Risk Committee and Relationship with Auditors**

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Company to disclose annually in its annual information form certain information relating to the Company’s Audit and Risk Committee and its relationship with the Company’s independent auditors. Please refer to section “Audit and Risk Committee and Relationship with Auditors” as outlined in the Company’s Annual Information Form dated 28 September, 2012 and available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Statement of Executive Compensation**

##### **Named Executive Officers**

The Company’s compensation practices are designed to attract, motivate and retain highly qualified employees and executives to manage the business of the Company by rewarding individual and corporate performance and aligning the interests of the Named Executive Officers (as defined in Form 51-102F6 – Statement of Executive Compensation) (the “**Named Executive Officers**” or “**NEOs**”) with the Company’s Shareholders.

As at June 30, 2012, the Company had five Named Executive Officers: Les Emery, Managing Director, and Mark Churchward, Chief Financial Officer and Joint Company Secretary, and John Ribbons, Joint Company Secretary, and Craig McGown, Vice President Corporate Development, and Peter Dendle, Project Manager.

#### **Compensation Discussion & Analysis**

##### *Overview of Compensation Program*

The Human Resources and Compensation Committee is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company’s executive officers. The Human Resources and Compensation Committee ensures that total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Company’s compensation philosophy.

The members of the Human Resources and Compensation Committee include Mr John Hick, Mr John Horan and Ms Elizabeth Martin. Mr Hick and Ms Martin are classified as independent for Canadian regulatory purposes. Mr Horan is classified as independent for ASX purposes, however is not regarded as independent for Canadian regulatory purposes. Each Human Resources and Compensation Committee member has held previous senior and executive management roles, providing relevant experience in executive compensation.

Mr Hick has over 30 years’ of experience in the mining industry in both senior management positions and as an independent director, during which he has spent the majority of his time based in Toronto, Canada.

Mr Hick has held either senior management and/or board positions with a number of publically listed Canadian mining companies.

Ms Martin is a Toronto based, professional accountant with a strong background in international exploration and mining companies. Ms Martin has held senior and executive management roles in base metal and precious metal companies.

Mr Horan is a Fellow of CPA Australia, a Fellow of the Chartered Institute of Secretaries in Australia, a Member of the Finance and Treasury Association Limited and a Member of the Australian Mining and Petroleum Law Association. He has many years' experience in the financial, corporate, technical and management areas of the mining industry.

The responsibilities of the Human Resources and Compensation Committee include, but are not limited to, undertaking the performance evaluation of the Managing Director, reviewing the compensation of each member of management, recommending to the Board the approval of any stock option plan, incentive plan or employee benefit plans to be granted, reviewing and recommending the compensation packages of the directors and the Chair of the Board and review the succession plans for management.

#### *Compensation Philosophy and Objectives*

The primary objective of the Human Resources and Compensation Committee is to assist the Board in discharging its responsibilities related to compensation matters, including ensuring that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, retain and inspire senior executives of a quality and nature that will allow for, and enhance, the sustainable development, growth and ultimate profitability of the Company. As set out in its charter, the Human Resources and Compensation Committee assists the Board in fulfilling its responsibilities by:

- reviewing, structuring and recommending to the Board the nature and amount of directors', executive officers' and other members of the senior management team deemed appropriate by the Compensation Committee, compensation;
- Recommending salary guidelines to the Board;
- Administering (where applicable) the Company's compensation plans, stock option plans, and such other compensation plans or structures as are adopted by the Company from time-to-time.

#### *Elements of Compensation Program, Determination of Amounts for each Element, Rationale for Amounts of Each Element*

The Human Resources and Compensation Committee's overall objective in determining the compensation to be paid to the Company's executive officers, including the Named Executive Officers, is to ensure compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives and to encourage and reward on the basis of individual and corporate performance. Currently, the Company's performance is determined by, and measured against, the development of its Yandera project.

Generally, compensation is provided by the Company to its executive officers as a combination of salary, stock option, performance right grants and bonuses.

Executive salaries are generally established by comparison to competitive salary levels of other mineral resource companies of comparable size and complexity. Salaries are also affected by the individuals' performance, level of experience, level of responsibility and length of service.

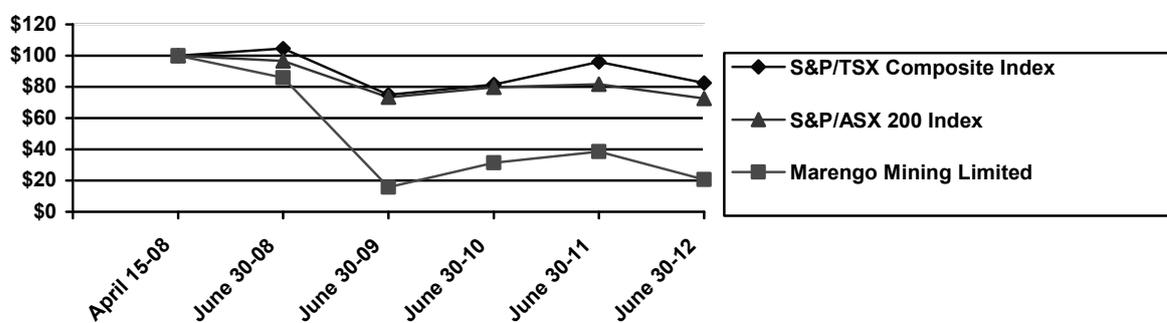
The Company uses stock option and performance right grants to align the interests of executive officers with the longer-term interests of shareholders and to reward those who make a long term contribution and commitment to the Company. The number and terms of outstanding options are taken into consideration when determining whether and how many new options should be granted.

### *Compensation of the Managing Director*

Compensation of the Managing Director includes a base cash compensation level and stock option and performance right grants. The compensation of the Managing Director is reviewed annually. The compensation of the Managing Director is determined in accordance with the factors described above for the compensation of the Company's executive officers generally. More particularly however, in determining the Managing Director's compensation, members of the Human Resources and Compensation Committee and the Board have regard to: (i) current base compensation; (ii) past performance; (iii) objectives for the ensuing year; (iv) market and industry practice and trends; and (v) when appropriate, the advice of independent experts.

### **Performance Graph**

The following graph compares the total cumulative shareholder return for C\$100 invested in the Shares of the Company with the cumulative shareholder return of the S&P/TSX Composite Index and the S&P/ASX 200 Index for the period commencing on April 15, 2008, the date of the listing of the Shares on the TSX, and ending on June 30, 2012.



The performance of the Company's Shares is not directly linked to compensation paid to executive officers of the Company. However the Company's remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and the performance of its directors and executive officers. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

### **Option and Share based Awards**

The Company uses stock option and performance rights grants to align the interests of executive officers with the longer-term interests of shareholders and to reward those who make a long term contribution and commitment to the Company. The Board has sole discretion to determine the employees to whom grants should be made and to determine the terms and conditions of any such grants (after considering the recommendation of the Human Resources and Compensation Committee). The number and terms of outstanding options are taken into consideration when determining whether and how many new options should be granted.

### Summary Compensation Table

The following table and the notes thereto summarises the unaudited compensation of the Named Executive Officers for the financial year ended June 30, 2012 and audited information for financial years ended June 30, 2011 and June 30, 2010.

Name and Principal Position	Financial Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All Other Compensation	Total Compensation
					Annual incentive plans	Long-term incentive plans			
		(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)
Les Emery <sup>(6)</sup> Managing Director	2012	563,275 <sup>(5)</sup>	—	8,490 <sup>(4)</sup>	—	—	132,793 <sup>(3)</sup>	23,816 <sup>(2)</sup>	728,374
	2011	456,384 <sup>(5)</sup>	—	18,755 <sup>(4)</sup>	—	—	132,430 <sup>(3)</sup>	16,615 <sup>(2)</sup>	624,184
	2010	432,429 <sup>(5)</sup>	—	35,097 <sup>(4)</sup>	—	—	146,971 <sup>(3)</sup>	29,576 <sup>(2)</sup>	643,863
Mark Churchward <sup>(7)</sup> Chief Financial Officer and Joint Company Secretary	2012	192,307 <sup>(5)</sup>	—	—	—	—	17,308	—	209,615
	2011	—	—	—	—	—	—	—	—
	2010	—	—	—	—	—	—	—	—
John Ribbons <sup>(1)</sup> Previous Chief Financial Officer and current Joint Company Secretary	2012	30,000	—	—	—	—	2,700	—	32,700
	2011	70,000	—	—	—	—	6,300	—	76,300
	2010	65,000	—	—	—	—	5,850	—	70,850
Craig McGowan <sup>(8)</sup> Vice President – Corporate Development	2012	396,000	—	6,002	—	—	—	—	402,002
	2011	302,500	—	13,394	—	—	—	—	315,894
	2010	—	—	—	—	—	—	—	—
Peter Dendle <sup>(9)</sup> Project Manager	2012	293,272	—	1,460	—	—	43,023	—	337,755
	2011	300,000	—	2,936	—	—	27,000	—	329,936
	2010	274,805	—	5,574	—	—	22,098	—	302,477

Notes:

- (1) Mr Ribbons is employed by DWCorporate Pty Ltd (“DWCorporate”). Since March 30, 2009, DWCorporate has provided management services to the Company including the provision of Mr Ribbons as Chief Financial Officer (until 12 September 2011) and Company Secretary. The compensation attributed to Mr Ribbons represents the estimated compensation that DWCorporate pays to Mr Ribbons that is attributable to the services he provided to the Company. Please refer to the “Management Contracts” section of this Management Information Circular.
- (2) Represents car allowance.
- (3) Represents superannuation payments of \$44,286 and long service leave entitlement of \$88,507.
- (4) Option based payments. The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.
- (5) Includes unused annual leave and days in lieu entitlements.
- (6) Mr Emery does not receive additional compensation for serving as a director.
- (7) Mr Churchward began providing services to the Company as Chief Financial Officer on 12 September 2011 and Joint Company Secretary on 24 February 2012.
- (8) Mr McGowan, a director of Resource Investment Capital Advisors Pty Ltd provided services as Vice President – Corporate Development.
- (9) Mr Dendle began providing services to the Company as Project Manager on 7 November 2005.

*Narrative Discussion*

DWCorporate provided services as Chief Financial Officer to the Company until 12 September 2011 and continued to provide Company Secretary services for the financial year. The amounts paid were at normal commercial rates. Mr Ribbons is employed and remunerated by DWCorporate.

**Incentive Plan Awards**

*Outstanding share-based awards and option-based awards*

The following table discloses the individual outstanding share-based awards and option-based awards at the end of the most recently completed financial year to each NEO.

<b>Name</b>	<b>Option Based Awards</b>				<b>Share-Based Awards</b>		
	<b>Number of Securities Underlying Unexercised Options (#)</b>	<b>Option Exercise Price (A\$)</b>	<b>Option Expiration Date (date)</b>	<b>Value of Unexercised In-the-Money Options (A\$)</b>	<b>Number of Shares or Units of Shares That Have Not Vested (#)</b>	<b>Market or Payout Value of Share-Based Awards That Have Not Vested (A\$)</b>	<b>Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (A\$)</b>
<b>Les Emery</b> Managing Director	1,500,000	0.50	15/08/2013	—	—	—	187,500
<b>Mark Churchward<sup>(1)</sup></b> Chief Financial Officer and Joint Company Secretary	—	—	—	—	—	—	—
<b>John Ribbons<sup>(2)</sup></b> Joint Company Secretary	—	—	—	—	—	—	—
<b>Craig McGown<sup>(3)</sup></b> Vice President – Corporate Development	650,000	0.25	31/03/2015	—	150,000	18,750	62,500
<b>Peter Dendle</b> Project Manager	500,000	0.25	18/12/2013	—	100,000	12,500	50,000

Notes:

- (1) Mr Churchward began providing services to the Company as Chief Financial Officer on 12 September 2011 and Joint Company Secretary on 24 February 2012.
- (2) DWCorporate provided services to the Company as Chief Financial Officer to 12 September 2011 and continues to provide services as Company Secretary. Mr Ribbons is employed and remunerated by DWCorporate. Mr Ribbons has not received option based awards attributable to services performed for the Company.
- (3) Mr McGown, through Resource Investment Capital Advisors Pty Ltd, provides services as Vice President – Corporate Development on 15 April 2010.
- (4) Mr Dendle began providing services to the Company as Project Manager on 7 November 2005.

*Incentive plan awards – value vested or earned during the year*

The following table summarises the aggregate value of incentive plan awards vested or earned during the most recently completed financial year to each NEO.

<u>Named Executive Officer</u>	<u>Option-based awards – Value vested during the year</u>	<u>Share-based awards – Value vested during the year</u>	<u>Non-equity incentive plan compensation – Value earned during the year</u>
	(A\$)	(A\$)	(A\$)
<b>Les Emery</b> Managing Director	8,490	—	—
<b>Mark Churchward</b> Chief Financial Officer and Joint Company Secretary	—	—	—
<b>John Ribbons</b> Joint Company Secretary	—	—	—
<b>Craig McGown</b> Vice President – Corporate Development	6,002	—	—
<b>Peter Dendle</b> Project Manager	1,460	—	—

*Narrative discussion*

**Options**

There are currently 66,510,750 outstanding options. The exercise price of these options range from C\$0.116 to A\$0.50 per share. The expiry dates of options granted range from 11 August 2013 to 24 February 2017.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one Share with full dividend and voting rights.

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Marengo to increase goal congruence between executives, directors and shareholders.

At a Shareholders meeting held on 31 July 2008, the Shareholders approved the grant of 5,750,000 options to certain directors (including their nominees) of the Company. These 5,750,000 options were granted on 15 August 2008. Of these 5,750,000 options, 1,500,000 were granted to Les Emery, a Named Executive Officer (the “**Emery Options**”). The Emery Options have an exercise price of \$A0.50 per Share, expire on 15 August 2013 and vest annually in five equal installments commencing on the date of grant.

On 18 December 2008, 2,300,000 options were granted to employees of the Company. These options have an exercise price of \$A0.25 per Share, expire on 18 December 2013 and vest annually in five equal installments commencing on the date of grant.

A further 550,000 options were granted to employees of the Company on 15 April 2009. These options have an exercise price of \$A0.25 per Share and expire on 31 March 2014.

A further 475,000 options were granted to employees of the Company on 1 December 2009. These options have an exercise price of \$A0.25 per Share and expire on 30 November 2014.

A further 150,000 options were granted to employees of the Company on 1 April 2010. These options have an exercise price of \$A0.25 per Share and expire on 22 March 2015.

A further 650,000 options were granted on 16 April 2010. These options have an exercise price of \$A0.25 per Share and expire on 31 March 2015.

A further 475,000 options were granted on 25 October 2010. These options have an exercise price of \$A0.22 per Share and expire on 25 October 2015.

A further 500,000 options were granted on 23 February 2011. These options have an exercise price of \$A0.32 per Share and expire on 23 February 2016.

A further 225,000 options were granted on 10 November 2011. These options have an exercise price of \$A0.19 per Share and expire on 10 November 2016.

A further 275,000 options were granted on 24 February 2012. These options have an exercise price of \$A0.24 per Share and expire on 24 February 2017.

11,400,000 performance rights A were granted on 6 September 2012. The performance rights expire on 6 September 2017.

26,000,000 performance rights B were granted on 6 September 2012. The performance rights expire on 6 September 2017.

#### **Pension Plan Benefits**

The Company does not have a pension plan and has not provided any pension plan benefits to its Named Executive Officers, aside from superannuation contributions provided to Messrs Emery and Churchward, as per the tabled below

<b>Name</b>	<b>Accumulated Value at Start of Year (\$)</b>	<b>Compensatory (\$)</b>	<b>Accumulated Value at Year End (\$)</b>
Leslie Emery	134,338	\$50,695	178,625
Mark Churchward	-	\$17,308	\$17,308

#### **Termination and Change of Control Benefits**

Marengo has entered an employment agreement with Mr Emery, dated 11 July 2011, effective from the date of shareholder approval, being 23 December 2011 (the "**Emery Employment Agreement**") pursuant to which Mr Emery is employed as Managing Director of Marengo for a term ending on 1 September 2013. Pursuant to the Emery Agreement, Mr Emery is paid an annual salary of A\$493,993 plus a superannuation contribution of A\$45,833 to be reviewed annually by the Board. Mr Emery is also provided with a fully maintained company motor vehicle with a deemed value of A\$18,500 per annum and reimbursement of 75% of this telecommunication charges and 100% of his mobile phone charges.

The Company may terminate Mr Emery's employment for any reason upon providing two months' notice to Mr Emery in writing. In this case, Mr Emery is entitled to be paid, as liquidated damages and without deduction, a termination benefit equal to three years' base salary which will include any payments in lieu of the minimum notice period required by law (i.e. the Termination Payment).

Mr Emery may terminate his Agreement by giving one month's written notice to the Company if he:

- a) is demoted from his position without good cause; or
- b) is requested, without good cause, to assume responsibilities or perform tasks not reasonably consistent with his position.

In these circumstances, Mr Emery is entitled to be paid the Termination Benefit.

In addition, Mr Emery's employment may be terminated by the Company in writing effective immediately if Mr Emery is guilty of gross misconduct, convicted of a criminal offence, becomes bankrupt or insolvent or in a range of other circumstances. However, no termination benefit is due to be made to Mr Emery in this case.

Mr Emery may terminate his employment at any time by giving the Company three months' notice in writing.

As at 30 June, 2012, Mr Emery had an annual leave benefit totalling \$69,795.

Marengo has entered into standard protection deeds (the "**Deeds**") with each of its directors and certain of its officers which provide for, amongst other things: (a) an indemnity of the directors and officers, to the extent permitted by law, against any liability which they may incur while carrying out duties as directors or officers of Marengo; (b) access to the documents of the Board; and (c) the provision of directors' and officers' liability insurance.

On 29 May 2002 the Company entered into a Consultancy Agreement with Adelaide Resource Management Pty Ltd, a Company associated with Mr John Horan (the terms of which are set out below) ("**Mr Horan's Agreement**").

Mr Horan is a founding Director having been engaged as its Chairman since 23 April 2002.

Mr Horan's Agreement was originally for a period of 2 years from the date the Company listed on ASX. Since the expiration of that initial term, Mr Horan's Agreement was extended several times, most recently to 1 September 2013.

Mr Horan may terminate his Consultancy Agreement by giving 3 months written notice to the Company. Mr Horan may also terminate his Agreement by giving 28 days written notice if the Company fails to pay moneys due or payable to Mr Horan for 14 days after demanding in writing to pay such moneys.

The Company may terminate Mr Horan's Consultancy Agreement without liability to the Company except for that which may have accrued up until the date of notice in certain circumstances including if Mr Horan is guilty of personal misconduct or if he is convicted of a criminal offence.

The Company may also terminate Mr Horan's Consultancy Agreement by giving 1 month's written notice and by paying to Mr Horan an amount equivalent to the amount which Mr Horan would have received had his Agreement continued until the expiration of the term as extended in accordance with its terms.

Other than the agreements there is no arrangement or agreement made between Marengo or its subsidiaries and any of the Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of Marengo or a change in the Named Executive Officer's responsibilities, other than as detailed above.

The following table summarises the termination and change of control benefits that Mr Emery and Mr Horan would have received at, following, or in connection with any termination, determination, determined as if termination occurred on 30 June 2012.

MARENGO MINING LIMITED  
Notice of Annual General Meeting

Amounts Due on Termination							
Name	Event	Contractual Severance		Benefits (\$)	Long-term Incentives	Other (\$)	Total (\$)
		Salary (\$)	Annual Bonus (\$)		Options (\$)		
Leslie Emery	Termination with cause	-	-	-	-	-	-
	Termination without cause	\$1,481,979	-	-	-	-	\$1,481,979
	Resignation with cause	\$1,481,979	-	-	-	-	\$1,481,979
	Resignation without cause	Nil	-	-	-	-	-
John Horan	Termination with cause	-	-	-	-	-	-
	Termination without cause	\$122,500	-	-	-	-	\$122,500
	Resignation	-	-	-	-	-	-

### Director Compensation

#### Compensation Table

The following table sets out all amounts of unaudited compensation provided to the directors for the Company's most recently completed financial year.

Name	Fees Earned (A\$)	Share-based Awards (A\$)	Option-based awards (A\$)	Non-equity incentive plan compensation (A\$)	Pension value (A\$)	All other compensation (A\$)	Total (A\$)
John Horan (Chairman)	115,500	-	7,075	-	-	5,316 <sup>(1)</sup>	127,891
Douglas Dunnet	24,200	-	2,830	-	38,800	5,316 <sup>(1)</sup>	71,146
Sir Rabbie Namaliu	63,000	-	5,660	-	-	5,316 <sup>(1)</sup>	73,976
Susanne Sesselmann	63,000	-	2,830	-	-	5,316 <sup>(1)</sup>	71,146
John Hick	63,000	-	2,830	-	-	5,316 <sup>(1)</sup>	71,146
Elizabeth Martin	63,000	-	2,830	-	-	5,316 <sup>(1)</sup>	71,146

#### Notes:

(1) Share of directors' and officers' liability insurance paid.

#### Narrative discussion

During the most recently completed financial year, each non-executive director and the Chairman received fees for services rendered during that year as shown in the above table. Executive officers do not receive additional compensation for serving as directors. Directors are also reimbursed for all reasonable expenses incurred in their capacity of directors. Generally, directors of Marengo do not receive additional amounts for committee participation or special assignments, however should the non-executive directors provide services in excess of those expected of such a position, the Company will provide reasonable remuneration for those services. There are no other arrangements under which directors were compensated for their services as directors or as consultants or experts during the Company's most recently completed financial year.

#### Outstanding share-based awards and option-based awards

The following table discloses the individual outstanding share-based awards and option-based awards at the end of the most recently completed financial year to each director.

<u>Name</u>	<u>Option Based Awards</u>				<u>Share-Based Awards</u>		<u>Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed</u> (A\$)
	<u>Number of Securities Underlying Unexercised Options</u> (#)	<u>Option Exercise Price</u> (A\$)	<u>Option Expiration Date</u> (date)	<u>Value of Unexercised In-the-Money Options</u> (A\$)	<u>Number of Shares or Units of Shares That Have Not Vested</u> (#)	<u>Market or Payout Value of Share-Based Awards That Have Not Vested</u> (A\$)	
John Horan (Chairman)	1,250,000	0.50	15/08/2013	—	—	—	—
Douglas Dunnet	500,000	0.50	15/08/2013	—	—	—	—
Sir Rabbie Namaliu	1,000,000	0.50	15/08/2013	—	—	—	—
Susanne Sesselmann	500,000	0.50	15/08/2013	—	—	—	—
John Hick	500,000	0.50	15/08/2013	—	—	—	—
Elizabeth Martin	500,000	0.50	15/08/2013	—	—	—	—

*Incentive plan awards – value vested or earned during the year*

The following table summarises the aggregate value of incentive plan awards vested or earned during the most recently completed financial year to each Director.

<u>Name of Director</u>	<u>Option-based awards – Value vested during the year</u> (A\$)	<u>Share-based awards – Value vested during the year</u> (A\$)	<u>Non-equity incentive plan compensation – Value earned during the year</u> (A\$)
John Horan (Chairman)	7,075	—	—
Douglas Dunnet	2,830	—	—
Sir Rabbie Namaliu	5,660	—	—
Susanne Sesselmann	2,830	—	—
John Hick	2,830	—	—
Elizabeth Martin	2,830	—	—

**Securities Authorised for Issuance Under Equity Compensation Plans**

The following table sets out information as of June 30, 2012 with respect to compensation plans under which equity securities of the Company are authorised for issuance.

Plan	Number of securities to be issued upon exercise of outstanding options, warrants and rights  (A)	Weighted-average exercise price of outstanding options, warrants and rights  (B)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A))  (C)
Equity compensation plans approved by security holders	9,000,000	\$0.4102	47,853,922
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	9,000,000	\$0.4102	47,853,922

#### Incentive Plans – Employee Stock Option Plan

The Directors considered that it was desirable to establish an option plan under which employees may be offered the opportunity to subscribe for options to acquire Shares (“**Options**”) in order to increase the range of potential incentives available to them and to strengthen the links between the Company and its employees and accordingly adopted the Plan on 10 June 2008. The Plan was approved by the Shareholders on 31 July 2008, and reapproved on 10 November 2011.

It is considered by the Directors that the future grant of Options under the Plan will provide select employees with the opportunity to participate in the future growth of the Company.

The Plan provides for the granting of Options that permit the acquisition of Shares by the Plan’s participants. The purpose of the Plan is to advance the interests of the Company by providing eligible directors and employees with an opportunity to acquire a financial interest in the Company thereby aligning their interests more closely with shareholders and providing greater incentive for them to focus on the Company’s longer-term goals.

The Plan may be administered by the Board which may delegate, to any person or persons on such conditions as it determines, the exercise of any of its powers or discretions under the rules of Plan. The material provisions of the Plan are as follows:

##### *Eligible Participants*

Permanent full-time or permanent part-time employees and directors (“**Eligible Participant**”) of the Company and any related body corporate of the Company that the Board determines will participate in the Plan.

##### *Shares Subject to the Plan*

The Plan provides that the maximum number of Shares issuable upon the exercise of Options shall not exceed 5% of the total number of issued and outstanding Shares from time to time. As a result, should the Company issue additional ordinary shares in the future, the number of ordinary shares issuable under the Plan will increase accordingly. As of the date hereof, Options for the purchase of a total of 9,000,000 Shares have been granted and are outstanding under the Plan (representing 1% of the issued and outstanding Shares of the Company as of the date hereof), out of a total available of 56,886,028.

##### *Maximum Percentage of Available Securities to Insiders under the Plan*

The Plan does not limit insider participation.

*Maximum Percentage of Available Securities to any One Person or Company under the Plan.*

The Plan does not provide for a maximum number of Shares which may be issued to an individual pursuant to the Plan and any other share compensation arrangement (expressed as a percentage or otherwise).

*Method of Determining Option Exercise Price*

The Board shall fix the price per Share issued pursuant to the Option at the time the Option is granted, provided that the price per Share fixed by the Board shall not be less than the volume weighted average trading price of the Shares, calculated by dividing the total value by the total volume of Shares traded during the relevant period, or the market value of the Shares determined by the Board, on the date the Board resolves to offer such Option to an Eligible Participant or, if the grant of such Option is subject to shareholder approval, the date upon which the Board resolves to seek shareholder approval for the offer of such Option.

*Vesting of Options and Option Period*

At the time of the grant of an Option the Board may determine when any Option will become exercisable. Options must be exercised in multiples of 1,000, unless the participant exercises all Options able to be exercised at that time.

*Term of Options*

At the time of the grant of an Option the Board may determine the term of any Option.

*Causes of Cessation of Entitlement*

The Plan sets out provisions regarding the exercise and cancellation of Options if an Eligible Participant's employment terminates or an Eligible Participant otherwise ceases to be eligible under the Plan. Under the Plan:

If the Eligible Participant ceases to be eligible as a result of

- (a) their position being made redundant;
- (b) retirement; or
- (c) death or total permanent disability,

the Eligible Participant may exercise their Options in accordance with the rules of the Plan within 180 days from the date of cessation of employment or such longer period determined by the Board.

If the Eligible Participant ceases to be eligible for any reason other than those specified above, the Eligible Participant may exercise their Options in accordance with the rules of the Plan within 30 days from the date of cessation of employment or such longer period determined by the Board provided that the Eligible Participant has not, in the Board's opinion, committed any act of fraud, theft or gross misconduct in relation to the affairs of a related body corporate of the Company (whether or not charged with an offense) or brought a related body corporate of the Company into disrepute.

If the Eligible Participant's employment is suspended pursuant to the terms of their employment agreement, all Options held by that participant may not be exercised during the period of suspension.

If:

- (a) a takeover bid is made to the holders of Shares;
- (b) pursuant to an application, a court orders a meeting to be held in relation to a proposed compromise or arrangement for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company;
- (c) the Company passes a resolution for voluntary winding up; or
- (d) an order is made for the compulsory winding up of the Company,

participants may exercise all of their Options in accordance with the rules of the Plan within 30 days from the date of such written notice (or such longer period determined by the Board).

*Assignability*

The Plan sets out provisions regarding a participant's ability to assign, transfer, sell, grant a security interest over or otherwise deal with an Option. Under the Plan:

- (a) Options may be transferred to a relative of, or a body Corporate controlled by the participant or a related body corporate of any such entities subject to the transferee agreeing to be bound by the rules of the Plan and the constitution of the Company.
- (b) Options may be transferred on the death of a participant, by the Participant's legal personal representative, and in the event that an order is made for the participant's estate to be administered under the laws relating to mental health, the person who is appointed to administer such estate subject to the transferee agreeing to be bound by the rules of the Plan and the constitution of the Company.

*Amendments, Suspension or Termination of the Plan*

The Board may amend, suspend or terminate the Plan, at any time, provided that no such amendment, suspension or termination may be made without obtaining any required regulatory approvals or adversely affect the rights of any optionee who holds an Option at the time of such amendment, without the written consent of at least 75% of the participants affected by the proposed change.

*Amendments Requiring Shareholder Approval*

Shareholder approval will be required for amendments to the Plan or to the terms of any Option that will cause:

- (a) a reduction of the exercise price of a previously issued Option held by an insider of the Company;
- (b) an extension of the expiry date of any Option held by an insider;
- (c) an increase in the number of Shares which may be issued on exercise of Options granted under the Plan;
- (d) a participant to transfer Options other than where the transfer is effected by force of law on death of the participant to the participant's legal personal representative;
- (e) a broadening or an increase in insider participation in the Plan; and
- (f) an extension in the term of any outstanding Option to a date beyond the latest exercise date currently stipulated in the rules of the Plan.

The above summary is presented in conjunction with, and is superceded by the full terms of the Plan, attached as Appendix "A" to this Management Information Circular.

**Performance Rights Plan**

The Performance Rights Plan "PRP" is an incentive plan which is designed to increase the motivation of staff and create a stronger link between increasing Shareholder value and employee reward. It was adopted by the Board on 23 June 2011 and approved by the shareholders on 29 September, 2011.

*Reasons for the PRP*

To achieve its corporate objectives, the Company needs to attract and retain its key staff.

The Board believes that grants made to eligible employees under the PRP ("**Eligible Employees**") will provide a powerful tool to underpin the Company's employment strategy and that the implementation of the PRP will:

- (a) enable the Company to recruit and retain talented people needed to achieve the Company's business objectives;
- (b) link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
- (c) align the financial interest of participants of the PRP ("**Participants**") with those of Shareholders; and
- (d) provide incentives to Participants to focus on superior **performance** that creates Shareholder value.

*Participation*

The Board may from time to time in its absolute discretion offer Performance Rights to full or part-time employees of the Company (including Directors) or its subsidiaries who are declared by the Board to be eligible to receive grants of Performance Rights under the PRP ("**Eligible Employees**") ("**Offer**"). Performance Rights granted under the PRP expire 5 years from the grant date.

*Offers to participate*

An Offer must set out the performance conditions to be met by the Eligible Employee ("**Performance Conditions**"), vesting, expiry and other similar terms attached to such Performance Rights. Unless the Board otherwise determines, no amount is payable on the grant of a Performance Right.

*Rules of the PRP*

Under the PRP, Performance Rights may be offered to Eligible Employees as determined by the Board. The vesting of Performance Rights will be subject to certain criteria.

The following is a summary of the key terms of the PRP:

- (a) Participation: The Board retains complete discretion to make offers of Performance Rights to any Eligible Employee.
- (b) No Transfer: Except on the death of a Participant or permanent incapacitation of a Participant, Performance Rights may not be transferred except with the prior written consent of the Board, and will lapse immediately if transferred.
- (c) Vesting: Each Performance Right issued to a Participant will vest on the date specified in the invitation. The vesting of a Performance Right under the PRP is conditional on the satisfaction of the Performance Conditions attaching to the Performance Right. Notwithstanding the foregoing, and subject to the Listing Rules and the TSX Rules:
  - i. the Board may vest some or all of a Participant's Performance Rights even if a Performance Condition has not been satisfied, if the Board considers that to do so would be in the interests of the Company to do so; and
  - ii. the vesting of a Participant's Performance Rights may be subject to such further conditions as determined by the board of directors of the Company.Performance Rights may also vest if:
  - iii. a takeover bid is made in respect of Shares; or
  - iv. if a Court orders a meeting to be held in relation to a merger by way of scheme of arrangement or any person becomes bound or entitled to acquire shares in the Company under sections 414 or 6A of the Corporations Act.
- (d) Lapse: An unvested Performance Right will lapse on the earliest to occur of:
  - i. the Performance Right lapsing in accordance with a provision of the PRP;
  - ii. the applicable Performance Conditions (as defined in the PRP) not being achieved within any prescribed period; or
  - iii. any date set out in an invitation by which it is stated that the Performance Right will automatically lapse.
- (e) Maximum percentage of available securities to Insiders under all Share compensation arrangements. The aggregate number of Shares issuable to Insiders pursuant to the grant of Performance Rights under the PRP and any other share compensation arrangement shall not exceed 10% of the Shares then outstanding. Insiders shall not be issued, pursuant to the PRP and any other share compensation arrangement, within any one year period, securities convertible into a number of Shares which exceeds 10% of the Shares then outstanding.

- (f) Causes of Cessation of Entitlement. If a Participant ceases to be an employee of any the Company or its subsidiaries other than in those circumstances specifically referenced in rule 8.3 of the PRP, any Performance Rights granted to that Participant under the PRP will automatically lapse on the cessation of the Participant's employment.
- (g) 5% limit: The Board is not entitled to make an offer under the PRP if offers of Performance Rights (or other securities of the Company) under the PRP or under similar plans (excluding offers that do not require the use of a disclosure document) in the previous 5 years would exceed 5% of the issued capital in the Company.
- (h) Nature of Performance Rights: A Performance Right is a right to receive a Share on the terms set out in the PRP and the Offer. The Performance Conditions applicable to any performance period relating to Performance Rights shall be as set out in the Offer.
- (i) Amendment or termination of the PRP: The Board retains the discretion to amend the rules of the PRP or to suspend or terminate it at any time.
- (j) Amendments Without Shareholder Approval. The board of directors of the Company may amend the PRP at any time, provided that no such amendment may be made without obtaining any required regulatory approvals or require the approval of the shareholders of the Company pursuant to the PRP.
- (k) Amendments Requiring Shareholder Approval. The approval of Shareholders will be required for any amendment that:
  - i changes a Performance Condition of a Performance Right held by an Insider;
  - ii extends the expiry date of any Performance Right held by an Insider;
  - iii increases the number of Shares which may be issued upon vesting of Performance Rights granted under the Plan;
  - iv allows a Participant to transfer Performance Rights other than where the transfer is effected by force of law on death or bankruptcy of the Participant to the Participant's legal personal representative or trustee in bankruptcy, as applicable;
  - v would have the potential to broaden or increase Insider participation in the Plan;
  - vi extends the term of any outstanding Performance Right to a date beyond the latest vesting date currently stipulated in the Listing Rules or TSX Rules;
  - vii increases in the maximum number of Shares permitted to be issued on the exercise of Performance Rights; or
  - viii amends the amending provisions contained in the PRP.

The above summary is presented in conjunction with, and is superceded by the full terms of the Plan, attached as Appendix "B" to this Management Information Circular.

**Indebtedness of Directors and Executive Officers**

<b>AGGREGATE INDEBTEDNESS (\$)</b>		
<b>Purpose</b>	<b>To the Company or its Subsidiaries</b>	<b>To Another Entity</b>
Share purchases	\$1,000,000	-
Other	-	-

On June 11, 2008, the Company entered into a loan agreement with the Managing Director, Mr 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 November 30, 2008. This agreement was approved by shareholders at the Company's general meeting on November 28, 2007.

<b>INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS</b>						
<b>Name and Principal Position</b>	<b>Involvement of Company or Subsidiary</b>	<b>Largest Amount Outstanding During Most Recently Completed Financial Year (\$)</b>	<b>Amount Outstanding as at September 28, 2012 (\$)</b>	<b>Financially Assisted Securities Purchases During Most Recently Completed Financial Year (#)</b>	<b>Security for Indebtedness</b>	<b>Amount Forgiven During Most Recently Completed Financial Year (\$)</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>	<b>(g)</b>
<b>Securities Purchase Programs</b>						
Les Emery, Managing Director	Company as lender	\$1,000,000	\$1,000,000	-	Unsecured loan	-
<b>Other</b>						
N/A						

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 has been accounted for as an option in the current fiscal year and as at June 30, 2012, the loan to Mr Emery is still outstanding.

No other director or executive officer, of the Company is indebted to the Company for any sum.

**Interest of Certain Persons or Companies in Matters to be Acted Upon**

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, nor any associate or affiliate of the foregoing persons, has a material interest, direct or indirect, in the matters to be acted upon at the Meeting, except as otherwise disclosed in this Explanatory Statement and Management Information Circular.

### **Interest of Informed Persons in Material Transactions**

Since the commencement of the Company's most recently completed financial year there were no transactions and there are no proposed transactions that have materially affected or would materially affect the Company or any of its subsidiaries in which any informed person of the Company or any associate or affiliate of any informed person has any material interest (direct or indirect).

### **Auditors**

The auditor of the Company is PricewaterhouseCoopers and was first appointed as auditor of the Company on 10 November 2011.

### **Management Contracts**

The Company entered into an agreement on 8 June 2009 with DWCorporate Pty Ltd for Mr John Ribbons to provide services as Chief Financial Officer and Company Secretary. On 12 September 2011 DWCorporate Pty Ltd ceased to provide Chief Financial Officer services. The Company paid DWCorporate Pty Ltd to June,30 2012 \$125,797. DWCorporate Pty Ltd is located at 20 Kings Park Road, West Perth WA.

The Company entered into an agreement on 15 April 2010 with Resource Investment Capital Advisors Pty Ltd for Mr Craig McGowan to provide services as Vice President – Corporate Development. The Company paid Resource Investment Capital Advisors Pty Ltd to June,30 2012 \$396,000.

### **Particulars of Matters to be Acted Upon**

For a detailed description of the matters to be acted upon, namely (a) the adoption of Remuneration Report; (b) the re-election of John Horan as director; (c) the re-election of Elizabeth Martin as director; (d) increase in non-executive directors' fees; and (e) approval of 10% Placement Facility, please refer to "Election of Directors" herein and the Explanatory Statement included with this Circular, available free of charge to Shareholders and available online at [www.asx.com.au](http://www.asx.com.au) or at [www.sedar.com](http://www.sedar.com).

### **Restricted Securities**

No action is to be taken that will result in having the effect to subdivide or convert existing securities into restricted securities or to create new restricted securities.

### **Additional Information**

Financial information is provided in the Company's annual audited financial statements and any interim financial statements submitted subsequent to the filing of the most recent annual financial statements and the Management's Discussion and Analysis ("MD&A") included in those statements.

Copies of these documents will be provided free of charge to Shareholders. The Company may require the payment of a reasonable charge by any person or company who is not a Shareholder of the Company, and who requests a copy of such document. Additional information (including the financial statements and MD&A referred to above) relating to the Company can be found at [www.asx.com.au](http://www.asx.com.au) or at [www.sedar.com](http://www.sedar.com).

### **ENQUIRIES**

Shareholders can contact either Mr John Ribbons or Mr Mark Churchward, Joint Company Secretaries, at +61 (08) 9429 0000 if they have any queries in respect of the matters set out in these documents.

**APPROVAL OF THIS EXPLANATORY STATEMENT AND MANAGEMENT INFORMATION CIRCULAR**

The contents and the sending of this Explanatory Statement and Management Information Circular have been approved by the Directors of the Company.

**By Order of the Board of Directors**

A handwritten signature in black ink, appearing to read "John Ribbons". The signature is fluid and cursive, with a large loop at the beginning.

**John Ribbons  
Company Secretary**

**Dated: 28 September 2012**

**Appendix "A"**

**MARENGO MINING EMPLOYEE SHARE OPTION PLAN RULES**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In these Rules, unless something else is clearly intended:

- (a) Act means the *Corporations Act 2001* (Cth).
- (b) Application means an application by a Participant for Options referred to in Rule 3.2(a).
- (c) Associate means a relative of, or a body Corporate (as those terms are defined in the Corporations Act) controlled by the Participant or a related body corporate of any such entities;
- (d) Associated Company means a body that:
  - (i) is a related body corporate of the Company in terms of section 50 of the Act;
  - (ii) the Board determines will participate in the Plan; and
  - (iii) agrees to be bound by these Rules.
- (e) ASIC means the Australian Securities and Investments Commission.
- (f) ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;
- (g) Board means the board of directors of the Company or a committee appointed by the Board.
- (h) Business Day means a day that is not a Saturday, Sunday or a public holiday in Western Australia.
- (i) Certificate means the certificate issued by the Company to a Participant in respect of an Option, in such form as the Board may approve from time to time or, if the Board has determined that Options will be uncertificated, a statement issued to the Participant that discloses the number of Options entered in the register of Option holders.
- (j) Company means Marengo Mining Limited (ABN 57 099 496 474).
- (k) Constitution means the constitution of the Company.
- (l) Date of Grant means, in respect of an Option, the date the Board resolves to offer such Option to an Eligible Employee provided that if under the Listing Rules or the TSX Rules, the grant of such Option is subject to shareholder approval, "Date of Grant" means the date upon which the Board resolves to seek shareholder approval for the offer of such Option.
- (m) Eligible Employee means an Employee whom the Board determines to be eligible to participate in the Plan.

- (n) Employee means a natural person who is a:
  - (i) permanent full-time or permanent part-time employee of an Employing Company; or
  - (ii) director of an Employing Company.
- (o) Employing Company means the Company and any Associated Company.
- (p) Employment Agreement means the employment agreement between the Employing Company and the Eligible Employee.
- (q) Exercise Notice means a duly completed and executed notice of exercise of an Option by a Participant in the form approved by the Board from time to time.
- (r) Exercise Period means the period commencing on the First Exercise Date and ending on the Last Exercise Date.
- (s) Exercise Price means the price determined by the Board but which will not be less than the Market Value of a Share on the Date of Grant of the Option and specified in an Invitation that the Participant pays per Share upon exercising the Options, as may be adjusted in accordance with Rule 4.
- (t) Event means:
  - (i) a takeover bid is made to the holders of Shares;
  - (ii) pursuant to an application made to the Court, the Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purpose of or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company;
  - (iii) the Company passes a resolution for voluntary winding up;
  - (iv) an order is made for the compulsory winding up of the Company; or
  - (v) any other circumstances determined by the Board from time to time.
- (u) First Exercise Date means the date determined by the Board and specified in an Invitation.
- (v) Invitation means an invitation to participate in the Plan referred to in Rule 3.1(a).
- (w) Insider has the meaning given to it in section 1 of the *Securities Act* (Ontario).
- (x) Last Exercise Date means the day ending at 5.00pm WST time on such date determined by the Board and specified in an Invitation.
- (y) Listing Rules means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
- (z) Market Value of a Share means:

- (i) the VWAP of the Shares, on such stock exchange where the majority of the trading volume and value of the Shares occurs, for the five trading days prior to the Date of Grant; and
  - (ii) if the Shares are not quoted on any stock exchange, the value determined by the Board as the market value.
- (aa) Nominee means a person nominated by an Eligible Employee pursuant to Rule 3.2(a)(ii).
- (bb) Option means an option granted under the Plan to subscribe for one fully paid share in the capital of the Company.
- (cc) Option Fee means any fee determined by the Board and specified in an Invitation which is payable by an Eligible Employee to the Company on making an Application.
- (dd) Participant means an Eligible Employee (or their Nominee, as the case may be) who:
  - (i) has received an Invitation;
  - (ii) makes an Application which is accepted by the Board; and
  - (iii) holds an Option under the Plan.
- (ee) Plan means the Marengo Mining Employee Share Option Plan constituted by these Rules.
- (ff) Relevant Requirements means any performance, vesting and/or other criteria determined by the Board and specified in an Invitation, as reduced or waived in whole or in part at anytime by the Board and notified to the Participant.
- (gg) Rules means these rules of the Plan, as amended from time to time.
- (hh) Security Interest means a mortgage, charge, pledge, lien or other encumbrance of any nature.
- (ii) Shares means fully paid ordinary shares in the capital of the Company.
- (jj) Special Circumstances means the Eligible Employee ceasing to be an Eligible Employee as a result of the:
  - (i) Eligible Employee's position being made redundant;
  - (ii) Eligible Employee's retirement; and
  - (iii) Eligible Employee's death or total permanent disability.
- (kk) Tax means all kinds of taxes, duties, imposts, deductions, charges and withholdings imposed by a government, together with interest and charges.
- (ll) TSX means the Toronto Stock Exchange.
- (mm) TSX Rules means the rules and policies of the TSX in respect of security based compensation arrangements, as the same may be amended from time to time.
- (nn) VWAP means the volume weighted average trading price of the Shares, calculated by dividing the total value by the total volume of Shares traded during the relevant period.

- (oo) WST means Australian Western Standard Time.

## **1.2 Interpretation**

In these Rules, unless something else is clearly intended:

- (a) the transfer by an Eligible Employee from one Employing Company to another does not constitute cessation of employment;
- (b) if an Employing Company which is the employer of an Eligible Employee ceases to be an Employing Company and the Eligible Employee does not contemporaneously become an Employee of another Employing Company, that Eligible Employee ceases to be an Eligible Employee;
- (c) a reference to these Rules is a reference to these Rules as amended, varied, novated, supplemented or replaced from time to time;
- (d) a reference to any legislation or any provision of any legislation includes:
  - (i) all regulations, orders or instruments issued under the legislation or provision; and
  - (ii) any modification, consolidation, amendment, re-enactment, replacement or codification of such legislation or provision;
- (e) words or expressions:
  - (i) importing the singular include the plural and vice versa;
  - (ii) importing a gender include the other genders; and
  - (iii) denoting individuals include corporations, firms, unincorporated bodies, authorities and instrumentalities;
- (f) a reference to a party to these Rules includes that party's executors, administrators, successors and permitted assigns;
- (g) where a word or phrase is defined or given meaning, any other part of speech or grammatical form has a corresponding meaning;
- (h) any heading, index, or table of contents is for convenience only and does not affect the interpretation of these Rules;
- (i) where an act would be required to be done, or a time limit or period would expire, on a day which is not a Business Day, the act may be done, or the limit or period will expire, on the following Business Day;
- (j) a reference to anything (including to any right) includes a part of that thing;
- (k) a right includes any remedy, privilege, authority or power;
- (l) where a consent or approval is required under these Rules, the requirement will, unless something else is clearly intended, mean the prior written consent or approval;

- (m) wherever used in these Rules, the expressions "including", "such as" and similar expressions shall not imply any limitation; and
- (n) a reference to notice means written notice given in the manner provided in these Rules for service of notices.

### **1.3 Contractors**

Invitations must not be made to any Eligible Employees who are contractors unless ASIC has granted the Company case-by-case relief to allow contractors to participate in the Plan in accordance with *ASIC Regulatory Guide 49 (Employee Share Schemes)*. Such relief may not be granted and is at the sole discretion of ASIC. The Company is not obliged to make a relief application in respect of any contractor and any decision to make an application for relief shall be at the Company's sole discretion.

## **2. OPERATION OF THE PLAN**

### **2.1 Name of the Plan**

This Plan shall be called the Marengo Mining Employee Share Option Plan.

### **2.2 Purpose**

The Plan provides Eligible Employees with an opportunity to acquire a financial interest in the Company, which will align their interests more closely with shareholders and provide greater incentive for them to focus on the Company's longer-term goals.

### **2.3 Commencement**

The Plan commences on the date that these Rules are adopted by the Board.

### **2.4 Operation**

The Plan must be operated in accordance with these Rules which bind each Employing Company and each Participant.

### **2.5 Plan Expenses**

The Company must pay all expenses, outgoings, costs and charges incurred in establishing and operating the Plan excluding the costs related to the issue of Shares pursuant to an exercise of Options or any other dealing with the Options and Shares.

### **2.6 Maximum number of Shares**

The number of Shares to be received on exercise of the Options the subject of an Invitation when aggregated with:

- (a) the number of Shares which would be issued were each outstanding offer or Option, being an offer made or Option acquired pursuant to the Plan or any other employee share scheme extended only to employees or directors of an Employing Company, exercised; and
- (b) the number of Shares issued during the previous 5 years pursuant to the Plan or any other employee share scheme extended only to employees or directors of an Employing Company;

but disregarding any offer made, or Option acquired or Share issued by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the Invitation outside Australia; or
- (d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (e) an offer made under a disclosure document,

must not exceed 5% of the total number of issued Shares as at the time of the Invitation.

### **3. GRANT OF OPTIONS**

#### **3.1 Invitation**

- (a) The Board may from time to time invite an Eligible Employee to participate in the Plan and make an Application (Invitation).
- (b) Each Invitation must specify:
  - (i) name and address of the Eligible Employee to whom the Invitation was made;
  - (ii) that the Eligible Employee may renounce the Invitation in favour of a nominee;
  - (iii) the date of the Invitation;
  - (iv) the number of Options available to the Eligible Employee;
  - (v) that the Eligible Employee may accept the whole or any lesser number of Options offered;
  - (vi) the minimum number of Options and any multiple of such minimum or other number which may be accepted;
  - (vii) the Option Fee (if applicable);
  - (viii) the Exercise Price or the manner of determining the Exercise Price;
  - (ix) the duration of the Options;
  - (x) the First Exercise Date;
  - (xi) the Last Exercise Date;
  - (xii) the dates or time periods for exercising the Options for the purposes of Rule 4.2(d) applicable at the date of the Invitation;
  - (xiii) the time period for making an Application;
  - (xiv) the Relevant Requirements (if any); and

- (xv) other specific terms and conditions applicable to the Invitation (if any) which are not inconsistent with these Rules.
- (c) Each Invitation must be issued with an application form and such other information and documents as may be required by the Act (including any applicable instrument of exemption or modification) and the Listing Rules.

### **3.2 Application**

- (a) Following receipt by an Eligible Employee of an Invitation, the Eligible Employee (or their Nominee, as the case may be) may, within the time period specified in the Invitation (Application):
  - (i) apply for Options by delivering to the Company a duly completed and executed application form (in the form attached to the Invitation); or
  - (ii) subject to clause 3.2(b), nominate a nominee (being an Associate of the Eligible Employee) in whose favour the Eligible Employee wishes to renounce the Invitation by notice in writing to the Directors.
- (b) The Board may, in its absolute discretion, resolve not to allow a renunciation of an Invitation in favour of a Nominee in accordance with clause 3.2(a)(ii) without giving any reason for the decision.
- (c) By making the Application, the Eligible Employee (or their Nominee, as the case may be) agrees to be bound by these Rules and the Constitution.

### **3.3 Acceptance**

- (a) Following receipt by the Company of an Application, the Company may grant the Options referred to in the Application to the Eligible Employee.
- (b) The Company must issue to a Participant a Certificate in respect of the Options granted to them stating:
  - (i) the number of Options issued to the Participant;
  - (ii) the Exercise Price of those Options; and
  - (iii) the Date of Grant.

### **3.4 Option Terms**

Subject to the Listing Rules and the TSX Rules, unless otherwise determined by the Board when it resolves to grant the Option, each Option is granted on the terms set out in Rule 4.

## **4. OPTION TERMS**

### **4.1 Entitlement**

- (a) Subject to these Rules, each Option entitles the Participant, on exercise of the Option, to subscribe for and be issued one Share at the Exercise Price.

- (b) Shares issued on the exercise of Options will rank equally with existing fully paid ordinary shares in the capital of the Company in all respects from the date of issue.

#### **4.2 Exercise of Options**

- (a) Subject to the satisfaction of any Relevant Requirements and these Rules, an Option which has not lapsed is exercisable during the Exercise Period by the Participant lodging with the Company Secretary, or such other person nominated by the Board for that purpose, an Exercise Notice for a specified number of Options accompanied by the:
  - (i) Exercise Price for the number of Options specified in the Exercise Notice; and
  - (ii) Certificate for those Options.
- (b) Options must be exercised in multiples of 100, unless the Participant exercises all Options able to be exercised at that time.
- (c) The Exercise Notice only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the Exercise Notice in clear funds.
- (d) An Option may only be exercised during the Exercise Period at any of the following times:
  - (i) in a period specified in the Company's corporate governance policies from time to time or as otherwise approved under such policies; or
  - (ii) at or within such additional or replacement dates or periods as may be determined by the Board and notified to a Participant.
- (e) If, at anytime during the Exercise Period, an Eligible Employee ceases to be an Employee as a result of Special Circumstances, the Participant may exercise their Options in accordance with Rule 4.2(a) within 180 days from the date of cessation of employment (or such longer period determined by the Board).
- (f) Subject to clause 4.4(a)(vii) if, at anytime during the Exercise Period, an Eligible Employee ceases to be an Employee other than as a result of Special Circumstances, the Participant may exercise their Options in accordance with Rule 4.2(a) within 30 days from the date of cessation of employment (or such longer period determined by the Board).
- (g) If, at any time prior to the Last Exercise Date, the Board gives written notice to the Participants that an Event has occurred, Participants may exercise all of their Options in accordance with Rule 4.2(a) within 30 days from the date of such written notice (or such longer period determined by the Board).
- (h) If, at any time during the Exercise Period, an Eligible Employee's employment is suspended pursuant to the terms of their Employment Agreement, all Options held by that Participant may not be exercised during the period of suspension.

#### **4.3 Issue of Shares**

Within 10 Business Days of the exercise of Options under these Rules, the Company must:

- (a) issue the number of Shares specified in the Exercise Notice;
- (b) deliver a holding statement for the Shares issued;
- (c) cancel the Certificate for the Options being exercised; and
- (d) if a Participant exercises less than all Options represented by a Certificate, issue a new Certificate for the balance.

#### **4.4 Lapse of Options**

- (a) An Option will lapse and become unable to be exercised on the earliest of the date that:
  - (i) is the Last Exercise Date;
  - (ii) if Rule 4.2(e) applies, is 180 days from the date of cessation of employment (or such longer period determined by the Board);
  - (iii) if Rule 4.2(f) applies, is 30 days from the date of cessation of employment (or such longer period determined by the Board);
  - (iv) is the date an Eligible Employee ceases to be an Employee (or such longer period determined by the Board);
  - (v) if Rule 4.2(f) applies, is 30 days from the date of the written notice (or such longer period determined by the Board);
  - (vi) is 30 days after the Eligible Employee ceases to be an Employee at any time before the First Exercise Date, unless Rule 4.2(e) applies (or such longer period determined by the Board);
  - (vii) is the date that the Board determines that the Eligible Employee has, in the Board's opinion:
    - committed any act of fraud, theft or gross misconduct in relation to the affairs of an Employing Company (whether or not charged with an offence); or
    - brought an Employing Company into disrepute;
  - (viii) is the date that the Board determines that any Relevant Requirement in respect of the Option cannot be satisfied; and
  - (ix) is the date the Board determines that a breach or occurrence of any condition or event contained in the Invitation requires the lapse of the Option.
- (b) Notwithstanding any other Rule, if the Board makes a determination under Rule 4.4(a)(vi) and the Participant has exercised an Option but the Company has not

issued the Share at that time, the Participant will cease to have any right to be issued the Share.

- (c) If an Option Fee was paid on the grant of an Option to a Participant and the Option lapses, the Board may determine that the Company will refund all or part of the Option Fee to the Participant.

#### **4.5 Aggregation**

- (a) If Options are exercised simultaneously, the Participant may aggregate the number of Shares or fractions of Shares to which the Participant is entitled to subscribe for under those Options and the total Exercise Price.
- (b) Fractions of Shares in the aggregate number only will be disregarded in determining the total entitlements of a Participant.
- (c) Fractions of a cent in the aggregate Exercise Price only will be rounded up to the nearest cent.

#### **4.6 Dealing**

- (a) Subject to Rules 4.6(b), and 4.6(d), Participants must not assign, transfer, sell, grant a Security Interest over or otherwise deal with an Option.
- (b) Subject to the Associate agreeing to be bound by these Rules and the Constitution Options may be transferred to an Associate of the Participant.
- (c) Options may be exercised in accordance with Rule 4.2:
  - (i) on the death of a Participant, by the Participant's legal personal representative; and
  - (ii) in the event that an order is made for the Participant's estate to be administered under the laws relating to mental health, the person who is appointed to administer such estate.
- (d) Subject to the transferee agreeing to be bound by these Rules and the Constitution Options may be transferred:
  - (i) on the death of a Participant, by the Participant's legal personal representative; and
  - (ii) in the event that an order is made for the Participant's estate to be administered under the laws relating to mental health, the person who is appointed to administer such estate,

upon such transfer being effected, the transferee will be deemed to be a Participant.

#### **4.7 Quotation**

- (a) Options will not be listed for official quotation on ASX or TSX.
- (b) The Company will make application to ASX and TSX for official quotation of Shares issued on the exercise of Options if other Shares are listed for official quotation on ASX and TSX at that time.

#### **4.8 Reconstruction**

In the event of any reorganisation (including consolidation, sub-division, reduction, capital return, buy back or cancellation) of the issued share capital of the Company, the rights attaching to Options must be changed to comply with the Listing Rules and the TSX Rules applying to that reorganisation at the time of the reorganisation.

#### **4.9 New Issue of Shares**

- (a) Participants will not be entitled to participate in any new issue of Shares as a result of holding Options unless they have become entitled to exercise their Options under the Plan and do so prior to the record date for the determination of entitlements to the new issue and participate as a result of being a holder of Shares.
- (b) The Company must give no less than 10 Business Days notice of any new issue of Shares to the Participant before the record date for determining entitlements to the issue in accordance with the Listing Rules, so as to permit the Participant to exercise any Option which, on its terms, may be exercised before the record date.

#### **4.10 Bonus Issue**

If the Company makes a bonus issue to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Participant would have received if the Option had been exercised prior to the record date for the bonus issue.

#### **4.11 Rights Issue**

Subject to the TSX Rules, if the Company makes a pro-rata issue to the holders of Shares (other than a bonus issue), the Exercise Price of an Option will be reduced in accordance with the formula contained in the Listing Rules.

#### **4.12 Other Securities**

If the Company offers shareholders other securities, the Board will determine whether the other securities are to be offered to Participants on the exercise of Options or whether any other equivalent securities, interest or rights will be offered to them if the other securities are not available, and the basis thereof, to the intent that on the exercise of Options the Participants will be treated whenever possible as if they were shareholders at the date that the Options are granted to the Participant.

#### **4.13 Winding Up**

If, prior to the expiry of any Options, a resolution for a members' voluntary winding up of the Company is proposed (other than the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to the Relevant Requirements, the Participant may, during the period referred to in the notice, exercise their Options.

#### **4.14 Adjustments**

- (a) The Board will be entitled to have any calculations or adjustments which are required to be made for the purposes of Options to be made by the auditors of the Company for the time being and such calculations, in the absence of manifest error, will be final and conclusive and binding on the Participant.
- (b) The Company must notify each Participant and ASX (if applicable) of any adjustments made to the Exercise Price, the number of Options or the number of Shares underlying each Option in accordance with the Listing Rules.

#### **4.15 Right to reports and notices**

Participants will be sent all notices, reports and accounts sent to members of the Company, but will not, as a Participant, have any right to attend or vote at meetings of members.

### **5. PLAN LIMITS**

Notwithstanding any other Rule, no Option may be offered under the Plan if to do so would contravene the Act, the Listing Rules, the TSX Rules or instruments of relief issued by ASIC from time to time relating to employee share schemes.

### **6. ADMINISTRATION OF THE PLAN**

#### **6.1 Board to administer**

The Board will administer the Plan and may:

- (a) determine appropriate procedures for administering the Plan consistent with these Rules; and
- (b) delegate, to any person or persons on such conditions as it determines, the exercise of any of its powers or discretions under these Rules.

#### **6.2 Discretion**

Except as expressly provided in these Rules, where these Rules provide for a determination, interpretation, decision, approval or opinion of the Company or the Board, such determination, interpretation, decision, approval or opinion will be in its absolute and unfettered discretion and final.

#### **6.3 Company and the Board**

Subject to the law, any power or discretion which is conferred on the Company or the Board by these Rules may be exercised in the interests, or for the benefit, of the Company, and the Company or the Board (as the case may be) is not, in exercising such power or discretion, under any fiduciary or other obligation to any other person.

#### **6.4 Decision of the Board**

If there is any dispute or disagreement as to the interpretation of these Rules, the Board's decision is final and binding on all persons.

### **6.5 Independent advice**

The Board may take and rely upon independent professional or expert advice in or in relation to the exercise of any of its powers or discretions under these Rules.

### **6.6 Other documents**

The Company may require a Participant to complete and return such other documents:

- (a) as may be required by law to be completed by the Participant; or
- (b) which the Company considers should, for legal or taxation reasons, be completed by the Participant.

## **7. AMENDING THE RULES**

### **7.1 Board may amend**

Subject to Rule 7.3, the Listing Rules and the TSX Rules, the Board may at anytime:

- (a) amend these Rules; and
- (b) waive or amend the application of any of these Rules in relation to a Participant.

### **7.2 Shareholder approval for certain amendments**

Subject to and without limiting the provisions of the Listing Rules and the Act, for so long as the TSX Rules apply to the Plan, the approval of shareholders of the Company will be required for any amendment to the Rules or the terms of any Option:

- (a) reducing the Exercise Price of a previously issued Option held by an Insider;
- (b) extending the expiry date of any Option held by an Insider;
- (c) increasing the number of Shares which may be issued on exercise of Options granted under the Plan (other than pursuant to sections 4.8, 4.10 and 4.11);
- (d) allowing a Participant to transfer Options other than where the transfer is effected by force of law on death of the Participant to the Participant's legal personal representative;
- (e) which would have the potential to broaden or increase Insider participation in the Plan; or
- (f) extending the term of any outstanding Option to a date beyond the latest exercise date currently stipulated in the Rules provided always that for so long as the Listing Rules apply to the Company the acts referred to in paragraphs (a), (b), (c) and (e) above will not be carried out unless they are permitted by the Listing Rules.

### **7.3 Rights of Participants**

- (a) Subject to Rule 7.3(b), if any amendment to these Rules under Rule 7.1 reduces any of the Participant's rights in respect of their Options, the Board must obtain the prior written consent of at least 75% of the Participants affected by the proposed change.

- (b) The Board may amend these Rules without the written consent of Participants under Rule 7.3(a):
  - (i) for the purpose of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
  - (ii) to take into consideration possible adverse tax implications to the Plan arising from rulings from the Commissioner of Taxation, changes or proposed changes to tax legislation and/or changes in the interpretation of tax legislation by a competent court or tribunal;
  - (iii) to correct a manifest error or mistake; or
  - (iv) to enable any Employing Company to comply with the Act, the Listing Rules the TSX Rules or instruments of relief issued by ASIC from time to time relating to employee share schemes.

#### **7.4 Retrospective effect**

Subject to this Rule 7, any change made pursuant to Rule 7.1 may be given such retrospective effect as is specified in the written instrument or resolution by which the change is made.

#### **7.5 Written notice**

As soon as reasonably practicable after the Company makes an amendment under Rule 7.1, the Company must notify the Participants of the amendment.

### **8. TERMINATION OR SUSPENSION OF THE PLAN**

#### **8.1 Change to the law**

The Company must terminate or suspend the Plan if changes to the law require that it do so.

#### **8.2 Company may terminate**

The Board may from time to time suspend the operation of the Plan and may at any time terminate the Plan.

#### **8.3 Winding up**

The Plan must be immediately terminated if an order is made or an effective resolution is passed for the winding up of the Company, other than for the purposes of amalgamation or reconstruction.

#### **8.4 Effect of termination**

Where the Plan is terminated, all Options already granted remain in existence and, notwithstanding the termination, the Plan continues to have effect in relation to those Options until the last of them lapses.

**9. CONNECTION WITH OTHER SCHEMES**

An Employing Company is not restricted to using the Plan as the only method of providing incentive rewards to employees and may approve and introduce other incentive schemes.

**10. RELATIONSHIP OF THE COMPANY AND PARTICIPANTS**

**10.1 General**

Nothing in these Rules:

- (a) confers on any Participant who is an Employee the right to continue as an employee of an Employing Company;
- (b) affects any rights which an Employing Company may have to terminate the employment of an Employee;
- (c) may be used to increase damages in any action brought against an Employing Company in respect of such termination; or
- (d) confers on an Employee any expectation to become a Participant.

**10.2 Control**

The Participants will not have any control over the operation of the Plan irrespective of any rights they may have under these Rules.

**11. LIABILITY**

The Employing Companies and their respective directors and employees are not liable for anything done or omitted to be done by such person or any other person with respect to:

- 11.1** the price, time, quantity or other conditions and circumstances of the acquisition of Options;
- 11.2** any fluctuation in the market price of Shares; and
- 11.3** anything done in connection with the Plan,  
unless such act or omission constitutes wilful misconduct on such person's part.

**12. BREACH BY A PARTICIPANT**

Subject to the law, if a Participant breaches any of their obligations under these Rules, an Employing Company may set-off the value of any benefit derived or held by that Participant and any loss incurred by any Employing Company as a result of such breach, against any amounts payable by any Employing Company to the Participant, whether such amounts are payable on termination of employment or otherwise.

**13. ADVICE**

Eligible Employees should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them relating to participation in the Plan.

**14. THE ACT, LISTING RULES, TSX RULES AND OTHER LAWS**

**14.1** These Rules and the Participant's entitlements under the Plan are subject to the Constitution, the Act, the Listing Rules, the TSX Rules or any other applicable laws.

**14.2** Notwithstanding any other Rule, every provision set out in an exemption from, or modification to, the provisions of the Act granted from time to time by the ASIC in respect of the Plan that is required to be included in these Rules in order for the exemption or modification to have effect is deemed to be contained in these Rules. To the extent that any provision deemed by this Rule to be contained in these Rules is inconsistent with any other provision in these Rules, the deemed provision will prevail.

**15. TAX REIMBURSEMENT**

The Board may, at the time of an Invitation, provide that the Participant is required to reimburse the Company in the event that any Employing Company is obliged to account for Tax in connection with, or as a result of, the grant or transfer of Options to the Participant.

**16. NOTICES**

**16.1** A notice will be deemed to be duly given:

- (a) on the day of delivery by hand or email;
- (b) 2 days after the date of posting by prepaid registered post; or
- (c) if sent by facsimile, when the answer back or message confirmation is received, as the case may be.

**16.2** This Rule 16 is in addition to any other mode of service permitted by law.

**16.3** A notice or direction given under these Rules is validly given to an Eligible Employee or Participant if it is handed to the person concerned, posted by ordinary prepaid post to the person's last known address or given in such other manner as the Company determines.

**16.4** A notice or direction given under these Rules to the Company is validly given if it is delivered, posted by ordinary prepaid post or faxed to the address set out below:

Address: Marengo Mining Limited  
Level 1, 9 Havelock Street  
West Perth Western Australia 6005

Fax: (08) 9429 0099  
Email: marengo@marengomining.com

or such other address as the Company may from time to time notify.

**17. GOVERNING LAW**

- 17.1** These Rules must be governed by and construed in accordance with the laws applicable in Western Australia.
- 17.2** The parties bound by these Rules irrevocably submit to the non-exclusive jurisdiction of the courts of Western Australia.

**Appendix "B" Performance Rights Plan**

Performance Rights Plan  
Rules

Marengo Mining Limited  
ACN 099 496 474

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*Definitions and Interpretations*

**Definitions**

In this Plan, unless the context otherwise requires:

**Applicable Laws** means any one or more or all, as the context requires of:

- (a) the Corporations Act;
- (b) the ASX Listing Rules;
- (c) the TSX Rules;
- (d) the constitution of the Company;
- (e) Taxation Laws;
- (f) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), (c) (d) and (e) above; and
- (g) any other legal requirement that applies to the Plan.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange.

**ASIC Class Order** has the meaning given to it in rule 6.

**ASX Listing Rules** means the official Listing Rules of the ASX, as they apply to the Company from time to time.

**Board** means the Board of the Directors of the Company, a committee appointed by such board of Directors or any person or body to which the Board has delegated powers under this Plan.

**Company** means Marengo Mining Limited ACN 099 496 474.

**Corporations Act** means the Corporations Act 2001 (Cth) as amended from time to time.

**Director** has the meaning given in section 9 of the Corporations Act.

**Eligible Employee** means a full or part-time employee (including a Director of the Company) of a Group Company who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan.

**Expiry Date** means, in relation to a Performance Right, the date determined by the Board prior to the offer of the relevant Performance Right, subject to any restriction in the Corporations Act from time to time but in any event no longer than 5 years from the Grant Date.

**Grant Date**, in relation to a Performance Right, means the date from which the Performance Right takes effect.

**Group Company** means the Company, its Subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the Plan.

**Insider** has the meaning given in the TSX Rules.

**Participant** means a person who has been granted a Performance Right under the Plan.

**Performance Condition** means one or more conditions which must be satisfied or circumstances which must exist before a Performance Right can vest.

**Performance Right** means a right to acquire a Share in the manner set out in this Plan.

**Plan** means the Marengo Mining Limited Performance Rights Plan as set out in these rules, subject to any amendments or additions made under rule 0.

**Restricted Shares** has the meaning given to it in rule 0.

**Restriction Period** has the meaning given to it in rule 0.

**Securities** has the meaning given in the ASX Listing Rules (except where otherwise specified in these rules).

**Share** means a fully paid ordinary share in the capital of the Company.

**Subsidiary** has the meaning given in section 9 of the Corporations Act.

**Takeover Bid** has the meaning given in section 9 of the Corporations Act.

**Taxation Laws** means the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth), each as amended from time to time.

**TSX** means the Toronto Stock Exchange.

**TSX Rules** means the TSX Company Manual and any rules and policies of the TSX, as they apply to the Company from time to time.

### **Interpretation**

In this Plan, headings are for convenience only and do not affect the interpretation of the Plan and, unless the context otherwise requires:

- (a) any words importing the singular include the plural and vice versa;
- (b) any words importing a gender include any gender;
- (c) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamation, ordinances and by-laws issued under that statute;
- (d) a reference to the ASX Listing Rules or the TSX Rules includes any variation, consolidation or replacement of those rules (as applicable) and is to be taken to be subject to any waiver or exemption granted to the Company from compliance with those rules;
- (e) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings; and
- (f) a reference in the Plan to a party to a document includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation.

### *Invitation to Participate*

#### **The Board may issue invitations to Eligible Employees**

- (a) The Board may from time to time, in its absolute discretion, issue invitations in writing (in such form as the Board decides) to Eligible Employees inviting applications for the grant of Performance Rights on the terms set out in the Plan and on such additional terms and Performance Conditions as the Board determines (which may include granting the Performance Rights in tranches) for up to the number of Performance Rights specified in the invitation.
- (b) Unless the Board otherwise determines, no amount is payable by an Eligible Employee in relation to the grant of a Performance Right or on vesting of a Performance Right.

#### **Number of Performance Rights**

The number of Performance Rights specified in each invitation will be determined by the Board in its absolute discretion.

#### **Information in Invitation**

The Board will advise each Eligible Employee who is issued an invitation of the following information relevant to the Performance Rights that may be granted under the Plan pursuant to that invitation:

- (a) the number of Performance Rights which may be granted (each Performance Right entitling its holder to one Share on that Performance Right vesting);
- (b) the date and time by which the application for Performance Rights must be received by the Company;
- (c) the date on which, subject to these rules, the Performance Rights will vest (in accordance with rule 0);
- (d) any applicable Performance Conditions attaching to the Performance Rights;
- (e) the Expiry Date and
- (f) any other relevant conditions to be attached to the Performance Rights or Shares (including, for example, any restrictions on transfer of the Shares).

#### *Applications For Performance Rights*

#### **Eligible Employee may apply for Performance Rights**

Following receipt of an invitation, application for the Performance Rights specified in that invitation may be made by the Eligible Employee.

#### **Application for number of Performance Rights specified in invitation**

The Eligible Employee may apply for up to the number of Performance Rights specified in the invitation by sending to the person nominated by the Company an application (in the form included with the invitation) duly completed and signed, which must include an agreement by the Eligible Employee to be bound by these rules.

#### **When Company must receive application**

The application must be received by the Company within the period for acceptance specified in the invitation, unless otherwise determined by the Board.

#### *Grant of Performance Rights*

#### **Company to grant or procure grant of Performance Rights**

On acceptance of a duly signed and completed application for Performance Rights, the Company may grant Performance Rights to the Eligible Employee, with effect from such dates as the Board determines or as may be determined in accordance with a resolution of the Board, on the terms set out in the Plan and additional terms as the Board determines.

#### **Performance Rights are not transferable**

- (a) Subject to rule 0(b), a Performance Right granted under the Plan is not capable of being transferred by the Participant, except with prior written consent of the Board, and will lapse immediately if it is transferred.
- (b) Rule 0(a) will not apply to the transmission of Performance Rights to a legal personal representative of a Participant following the Participant's death.

#### *Grant of Performance Rights to Insiders*

The aggregate of either:

- (a) the number of Shares issuable to Insiders pursuant to the grant of Performance Rights or pursuant to grants under any of the Company's other security based compensation arrangements; and
- (b) the number of Shares issued to Insiders pursuant to the grant of Performance Rights or pursuant to grants under any of the Company's other security based compensation arrangements, within any one year period,

may not exceed 10% of the Company's issued and outstanding Shares.

*Limit on grant of Performance Rights*

**5% limit**

The number of Shares to be issued on exercise of the Performance Rights when aggregated with:

- (a) the number of Shares which would be issued were each outstanding invitation, Performance Right or option, being an invitation made or Performance Rights or options granted pursuant to the Plan or any other employee incentive scheme extended only to employees or Directors of the Company, exercised; and
- (b) the number of Shares issued during the previous 5 years pursuant to the Plan or any other employee incentive scheme extended only to employees or Directors of the Company;

but disregarding any invitation made, or Performance Rights or options acquired or Share issued by way of or as a result of:

- (a) an offer to a person situated at the time of receipt of the offer outside Australia; or
- (b) an "excluded offer" or "excluded invitation" (each as defined in the Corporations Law as in force prior to the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act 1999 (Cth));
- (c) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (d) an offer made under a disclosure document,

must not exceed 5% (or such other maximum permitted under any ASIC Class Order providing relief from the disclosure regime of the Corporations Act) of the total number of issued Shares as at the time of the invitation.

*Overriding restrictions on grant and upon vesting*

Notwithstanding any provision of these rules or the terms of any Performance Right, no Performance Rights may be offered or may vest if to do so would contravene:

- (a) the Corporations Act, the ASX Listing Rules or the TSX Rules; or
- (b) the local laws or customs of an Eligible Employee's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

*Lapse of a Performance Right*

**Vesting**

- (a) Subject to these rules, each Performance Right issued to a Participant will vest on the date specified in the invitation.
- (b) The vesting of a Performance Right under this rule 0(a) is conditional on the satisfaction of the Performance Conditions attaching to the Performance Right.
- (c) Notwithstanding rule 0(b) and subject to the ASX Listing Rules and the TSX Rules:
  - (i) the Board may vest some or all of a Participant's Performance Rights even if a Performance Condition has not been satisfied, if the Board considers that to do so would be in the interests of the Company to do so; and
  - (ii) the vesting of a Participant's Performance Rights may be subject to such further conditions as determined by the Board.

**Lapse of a Performance Right**

An unvested Performance Right will lapse on the earliest to occur of:

- (a) the Performance Right lapsing in accordance with a provision of this rule 0;
- (b) the Performance Right lapsing in accordance with rule 0(a);
- (c) the applicable Performance Conditions not being achieved within any prescribed period;
- (d) the Expiry Date; or
- (e) any date set out in an invitation by which it is stated that the Performance Right will automatically lapse.

#### **Vesting in specific circumstances**

Where a Participant ceases to be an employee of any Group Company in any of the circumstances referred to below and at that time the Participant continues to satisfy all Performance Conditions, the Board may determine that any Performance Rights granted under the Plan vest during such period whether or not the date for vesting has been attained. If no determination is made by the Board within 6 months of the Participant ceasing to be an employee, all Performance Rights held by a Participant will automatically lapse. The circumstances are:

- (a) total and permanent disability
- (b) death; and
- (c) such other circumstances as the Board may determine.

#### **Performance Rights lapse if cease to be an employee**

- (a) Subject to this rule 0(b), if a Participant ceases to be an employee of any Group Company in circumstances other than those referred to in rule 0, any Performance Rights granted to the Participant under the Plan will automatically lapse on the cessation of the Participant's employment.
- (b) A Participant will not be treated for the purposes of rule 0(a) as ceasing to be an employee of a Group Company until such time as the Participant is no longer an employee of any of the Group Companies.

#### **Performance Rights lapse on a winding up**

If a resolution is passed to wind up the Company, the Performance Rights lapse automatically on the passing of the resolution.

#### **Fraudulent or dishonest actions**

Where, in the opinion of the Board, a Participant acts fraudulently or dishonestly or is in breach of his or her obligations to any Group Company then the Board may deem any unvested Performance Rights of the Participant to have lapsed.

#### **Performance Rights may be cancelled if Participant consents**

Notwithstanding any other provisions of the Plan, and subject to the ASX Listing Rules and the TSX Rules, if a Participant and the Board have agreed in writing that some or all of the unvested Performance Rights granted to that Participant may be cancelled on a specified date or on the occurrence of a particular event, then the Board may cancel those Performance Rights on the relevant date or on the occurrence of the particular event (as the case may be).

#### **Vesting procedure**

- (a) Subject to these rules, each Performance Right entitles the Participant to one Share upon vesting.
- (b) Upon the vesting of Performance Rights, the Participant becomes entitled to be issued, transferred or allocated the relevant Shares not later than 21 days after the date of vesting pursuant to the provisions of rule 0(c).

- (c) Within 21 days after a Performance Right under the Plan has vested, the Board must issue to or procure the transfer to the Participant or his or her personal representative (as the case may be) of one Share in respect of each Performance Right of the Participant which has vested, provided that the Company will not be entitled to issue Shares to Directors of the Company without any shareholder approval that may be required under the ASX Listing Rules or the TSX Rules first being obtained.
- (d) All Shares issued, acquired or allocated on the vesting of Performance Rights (as the case may be) under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue, acquired or allocated except:
  - (i) as regards any rights attaching to the Shares by reference to a record date prior to the date of their issue, acquisition or allocation; or
  - (ii) in respect of any restrictions on disposal or otherwise dealing in the Shares determined pursuant to rule 0.
- (e) The Company and any person nominated by the Company from time to time are irrevocably appointed jointly and severally by each Participant as attorney to do all things necessary considered by the Company appropriate to effect a transfer, issue or allocation of Shares upon vesting of a Performance Right, including agreeing to become a member of the Company on the Participant's behalf.

#### **Quotation of Performance Rights**

Performance Rights will not be quoted on ASX, the TSX or any other securities exchange.

#### **Shares to be quoted on ASX and TSX**

If Shares of the same class as those issued, acquired or allocated (as the case may be) under the Plan are quoted by the ASX or the TSX, the Company will apply to the ASX or the TSX (as applicable) within the period required by ASX or the TSX Rules (as applicable) for those Shares to be quoted.

#### **Takeover**

- (a) In the event of a Takeover Bid, any Performance Rights granted will vest where, in the Board's absolute discretion, the Performance Conditions applicable to those Performance Rights have been satisfied on a pro rata basis over the period from the Grant Date to the date of the Takeover Bid.
- (b) Any Performance Right referred to in rule 0(a) which the Board determines will not vest will automatically lapse, unless the Board determines otherwise.

#### **Takeover, compromise or arrangement**

- (a) The Board may, in its absolute discretion, vest all or a specified number of a Participant's Performance Rights where the Board is satisfied that the Performance Conditions applicable to those Performance Rights have been satisfied on a pro rata basis over the period from the Grant Date to the date where:
  - (i) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
  - (ii) any person becomes bound or entitled to acquire Shares in the Company under:
    - (A) section 414 of the Corporations Act (upon a scheme of arrangement being approved); or
    - (B) Chapter 6A of the Corporations Act (compulsory acquisition following a Takeover Bid).
- (b) If no determination is made under rule 8.11(a) or if the Board determines that some or all of a Participant's Performance Rights shall not vest, those Performance Rights will automatically lapse, unless the Board determines otherwise.

### *Restriction on disposal of Shares*

#### **Restriction Period**

Where the Board issues an invitation to an Eligible Employee inviting an application for the grant of Performance Rights, the Board may, in its discretion, determine that a restriction period will apply to some or all of the Shares issued or transferred to a Participant, following vesting of their Performance Rights (**Restricted Shares**) (**Restriction Period**).

#### **Waiver of restriction period**

The Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period determined pursuant to rule 0.

#### **No disposal of Shares while restricted**

A Participant must not dispose of or otherwise deal with any Shares issued, transferred to the Participant under the Plan while they are Restricted Shares.

#### **Enforcement of Restriction Period**

The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Restricted Shares issued for as long as those Shares are Restricted Shares.

#### **Lapse of restrictions attaching to Shares**

When a Share ceases to be a Restricted Share, all restrictions on disposing of or otherwise dealing or purporting to deal with that Share provided in or under these rules will cease.

### *Bonus issues and reconstructions*

#### **Bonus issue**

- (a) If Securities are issued by way of a "bonus issue" (as that term is defined in the ASX Listing Rules) to the holders of Shares, a Participant is entitled, upon vesting of a Performance Right, to receive in addition to the Share in respect of which the Performance Right vests and without the payment of any further consideration, the number of Securities which the Participant would have received if the Performance Right had vested before the record date for the bonus issue.
- (b) Any additional Securities to which a Participant becomes entitled under rule 0(a) will, until those additional Securities are issued or allocated to the Participant, be regarded as additional Securities into which the Performance Rights may vest for the purposes of any application of this rule 10.1.

#### **Reorganisation**

- (a) In the event of any reorganisation (including consolidation, sub-division, reduction, return or cancellation) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled will be changed in accordance with the ASX Listing Rules (if applicable) or the TSX Rules (if applicable).
- (b) Any additional Securities to which a Participant becomes entitled under rule 10.2(a) will, until those additional Securities are issued or allocated to the Participant, be regarded as additional Performance Rights to which the Participant is entitled for the purpose of any application of this rule 10.2.

### **Advice**

The Company must give notice to each Participant of any adjustment to the number of Shares which the Participant is entitled to subscribe for or be issued upon vesting of a Performance Right.

### **Limited right to participate in new issues**

Subject to rules 0 and 0, a Performance Right does not confer on a Participant the right to participate in any new issue of Securities of the Company.

### **Fairness in application**

In the application of this rule 0, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other Securities in the Company subject to the ASX Listing Rules (if applicable) or the TSX Rules (if applicable).

### *Amendments*

#### **Board may amend**

Subject to rules 11.2 to 11.5 and the ASX Listing Rules (if applicable) or the TSX Rules (if applicable), the Board may at any time by resolution amend, add to, revoke or substitute (**amend**) all or any of the provisions of the rules (including this rule) of the Plan, or the terms of any Performance Rights granted under it, in any respect.

#### **Shareholder approval for certain amendments**

Notwithstanding rule 11.1, and subject to and without limiting the provisions of the Corporations Act, the ASX Listing Rules or the TSX Rules, the approval of shareholders of the Company will be required for any amendment that:

- (a) changes a Performance Condition of a Performance Right held by an Insider;
- (b) extends the expiry date of any Performance Right held by an Insider;
- (c) increases the number of Shares which may be issued upon vesting of Performance Rights granted under the Plan (other than pursuant to rules 0 and 0);
- (d) allows a Participant to transfer Performance Rights other than where the transfer is effected by force of law on death or bankruptcy of the Participant to the Participant's legal personal representative or trustee in bankruptcy, as applicable;
- (e) would have the potential to broaden or increase Insider participation in the Plan; or
- (f) extends the term of any outstanding Performance Right to a date beyond the latest vesting date currently stipulated in the Rules;
- (g) increases in the maximum number of Shares permitted to be issued on the exercise of Performance Rights; or
- (h) amends the amending provisions contained in this rule 11.

#### **Restrictions on amendments**

Without the consent of the Participant, no amendment may be made to the terms of any granted Performance Right which, in the opinion of the Board, materially reduces the rights of the Participant in respect of that Performance Right, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans; or
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to

Taxation Laws (including an official announcement by the Commonwealth of Australia) and / or changes in the interpretation of Taxation Laws by a Court or competent jurisdiction; or

- (d) to enable any Group Company to comply with the Applicable Laws.

#### **Notice of amendments**

As soon as reasonably practicable after making any amendment under rule 0, the Board must give notice in writing of the amendment to any affected Participant.

#### **Retrospective effect**

- (a) The Board may determine that any amendment to these rules or the terms of Performance Rights granted under the Plan made in accordance with this rule 11, be given retrospective effect.
- (b) Amendment of these rules or the terms and conditions upon which Performance Rights are granted under the Plan by the Board shall be of immediate effect unless otherwise determined by them.

#### *Miscellaneous*

#### **Terms of employment not affected by Plan**

- (a) The rights and obligations of any Participant under the terms of their office or employment with a Group Company are not to be affected by their participation in the Plan and these rules will not form part of or be incorporated into any contract of engagement or employment of any employee with a Group Company.
- (b) No Participant will have any rights to compensation or damages in consequence of the termination of their office or employment for any reason whatsoever in so far as those rights arise or may arise from their ceasing to have rights under the Plan as a result of such termination.

#### **Board to administer**

- (a) The Plan is administered by the Board which has power to:
- (i) determine appropriate procedures for administration of the Plan consistent with these rules; and
  - (ii) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in the Plan and the ASX Listing Rules or the TSX Rules, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan or any Performance Rights under the Plan and in the exercise of any power or discretion under the Plan.

#### **Board power to waive**

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any additional terms or conditions (including any Performance Condition) in relation to any Performance Rights granted to any Participant.

#### **Board decision is final**

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Performance Rights granted under it, the decision of the Board is final and binding.

### **Compliance with Applicable Laws**

Notwithstanding anything in this Plan, the terms of Performance Rights granted under the Plan and all things done under the Plan must comply with all applicable requirements of Applicable Laws.

### **Termination**

The future operation of the Plan may be suspended or terminated at any time at the discretion of the Board.

### **Notices**

- (a) Any notice or other communication under or in connection with the plan may be given by personal delivery or by sending the same by post or facsimile, in the case of a company to its registered office, and in the case of an individual's last notified address, or, where a Participant is a Director or employee of a Group Company, either to the Participant's last known address or to the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office or employment.
- (b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile, it is deemed to have been received on completion of transmission.

### **Governing Law**

The Plan and any Performance Rights issued under it are governed by the laws of Western Australia.

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**MARENGO**  
MINING LIMITED

ABN 57 099 496 474

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

┌ 000001 000 MGO  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

For your vote to be effective it must be received by 4:00pm (WST) Tuesday 6 November 2012

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View the Annual Report

[www.marengominig.com](http://www.marengominig.com)

Update your securityholding, 24 hours a day, 7 days a week:

[www.investorcentre.com](http://www.investorcentre.com)

Your secure access information is: SRN/HIN: 1999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Marengo Mining Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Marengo Mining Limited to be held at The Celtic Club, 48 Ord Street, West Perth WA on Thursday, 8 November 2012 4:00pm (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 & 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 & 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** For Resolution 4 this express authority is also subject to you marking the box in the section below.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 & 4 by marking the appropriate box in step 2 below.

**Important for Resolution 4** If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolution 4 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolution 4, the Chairman of the Meeting will not cast your votes on Resolution 4 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 4.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolution 4 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

## STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of John Hick as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Elizabeth Martin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Increase in Non - Executive Director's Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

## SIGN Signature of Securityholder(s) *This section must be completed.*

<b>Individual or Securityholder 1</b>	<b>Securityholder 2</b>	<b>Securityholder 3</b>
<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>
<b>Sole Director and Sole Company Secretary</b>	<b>Director</b>	<b>Director/Company Secretary</b>

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_