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KEY POINTS - YANDERA - COPPER - MOLYBDENUM - GOLD PROJECT

- 📌 Investment and Co-operation Agreement signed with PNG Government company, Petromin
- 📌 A\$5 million exploration program underway, to increase regional exploration focus, in parallel with Yandera DFS
- 📌 Record quarterly in-fill drilling thrust generates many broad intercepts of mineralisation
- 📌 Definitive Feasibility Study (DFS) activity continues
- 📌 Canadian investment institution OMERS advises of increasing substantial shareholding to 7.4% interest



Yandera Village Welcome Group



HIGHLIGHTS

YANDERA COPPER-MOLYBDENUM-GOLD PROJECT

Project Development (DFS)

- 🕒 Bulk adit and drill core sampling completed
- 🕒 Multiple DFS components underway or nearing completion
- 🕒 Investment and Co-operation Agreement signed with PNG Government company, Petromin to establish a framework for Petromin to acquire a 30% contributing interest in the Yandera Project.

Resource Drilling

- 🕒 Record quarterly drilling total of 13,051 metres
- 🕒 Infill drilling at Imbruminda Intersects:
 - 264m @ 0.80% CuEq
 - 64m @ 1.20% CuEq
 - 156m @ 0.78% CuEq
- 🕒 Infill drilling at Gremi intersects:
 - 392m @ 0.57% CuEq
 - 263m @ 0.63% CuEq
 - 90m @ 0.80% CuEq
- 🕒 Infill drilling at Dimbi intersects:
 - 137m @ 0.62% CuEq
 - 180m @ 0.45% CuEq
- 🕒 In-fill drilling at Omora intersects:
 - 81m @ 0.55% CuEq

Exploration

- 🕒 Expanded airborne magnetic survey to commence shortly as part of the ramp-up of regional exploration at Yandera.

CORPORATE & FINANCIAL

- 🕒 Annual General Meeting set for 10 November 2011
- 🕒 Cash balance at quarter end of A\$ 47.84 M (C\$50.77M)

YANDERA PROJECT, MADANG PROVINCE, PNG**(MARENGO MINING LIMITED – 100%)****Project Development – Strategic Partner & Definitive Feasibility Study**

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

As part of its MoU with NFC and Arccon (WA) Pty Ltd (“Arccon”), their Australian engineering partner, these parties have agreed with Marengo to undertake the next key phase of process plant design work, which forms a key component of the Definitive Feasibility Study (“DFS”). This work will be undertaken at one of NFC’s Design Institutes in China, which employ some 2,500 engineers, who are focused on the many offshore engineering and construction projects being undertaken by NFC at any one time. Arccon will provide supporting engineering services to NFC.

**Definitive Feasibility Study [DFS]**

The DFS is progressing generally to plan and the revised DFS management structure is working effectively, which should result in completion in mid 2012. Work is also being scheduled to expedite the various environmental submissions and to ensure that they have a firm basis. As usual, a key aspect of these submissions will be the response times by the relevant approving authorities. This matter is being pursued as part of the process of achieving environmental approval. The Yandera Project DFS will address two basic tailings management options:

- 1 - Deep Sea Tailings Placement (DSTP); and
- 2 - Land based Tailings Storage Facility (TSF).

In these options the tailings are delivered as fine slurry to either a deep offshore canyon or an engineered, purpose built onshore storage facility. The mining, crushing and grinding facilities are the same for both options and would be located at the mine site. The concentrator is the same for both options but would be in a different location for each.

A preferred DSTP site has been identified and three possible locations have been identified for a land based TSF. Further work is in progress to select a preferred TSF location. Preliminary mine planning and process plant design have confirmed the current approach to mining and processing is valid and preliminary engineering studies have confirmed that infrastructure facilities can be developed to support the project.

Environmental and social studies to date have not identified any impediments to the proposed development and meetings with stakeholders have confirmed their enthusiasm for the project.

The previously recovered bulk parcel of representative diamond drill core was delivered to China and Australia for additional confirmatory testwork. In addition a 45 tonne bulk sample was recovered from a very successful adit development within the Gremi zone. This material has been shipped to an Australian metallurgical laboratory where a combined copper / molybdenum concentrate will be produced, prior to separation of copper and molybdenum concentrates.

Various infrastructure studies continued, with a number nearing completion.

EPC Contract

NFC has confirmed their commitment to a fixed-price Engineering Procurement Construction (EPC) contract and will develop their proposal in 2012 with support from Arccon.

Under this arrangement, Marengo will appoint NFC as the principal contractor under a turnkey, lump sum contract and also into a formal financing agreement under which NFC will facilitate financing for the Yandera Project, for at least 70% of the Project Development Costs, through its nominated Chinese financial institution. Marengo continues to be advised in this process by Standard Bank.

PNG Government Participation

On 19 September 2011, the Company entered into the Yandera Project Investment and Co-operation Agreement ("the Agreement") with Petromin PNG Holdings Limited and its wholly owned subsidiary, Eda Kopa (Yandera) Limited ("Petromin").

As previously announced, Petromin has been nominated by the Government of Papua New Guinea ("PNG Government") to take up the State's interest in Marengo's Yandera Copper-Molybdenum-Gold Project ("the Yandera Project") in Madang Province, Papua New Guinea.

Petromin is a resource and investment company established by the PNG Government to hold the Government's interest in, and invest in the development of mining, oil and gas projects in PNG. To date, it holds interests in;

- The PNG-LNG Gas Project;
- The Solwara offshore mining project principally owned by Nautilus Minerals;
- The Tolukuma Gold Project; and
- A number of other gold projects

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

The Agreement also provides a framework for Marengo and Petromin to work together to facilitate the development of the Yandera Project. This framework will involve the establishment of three committees being;

- A steering committee
- A technical committee
- A finance committee

With each committee comprising senior management, operations, technical and finance executives of Marengo and Petromin.



Drilling

The drilling campaign at Yandera continued through the quarter with 6 rigs on site, achieving a record 13,051 metres. The emphasis remained on the in-fill program at Imbruminda, but extended to Omora to commence a series of in-fill holes at that zone with the aim of elevating as much resource from Inferred to Indicated/Measured categories ahead of the next resource estimate scheduled for later this year. Following a final hole at the Gremi zone, the deep drilling program was suspended for the remainder of the year and the rig demobilized from site, for much needed maintenance.

In line with DFS metallurgical testing requirements, 13 holes were drilled to provide a 26 tonne core sample. This material was carefully logged, packed and shipped to China and Australia. Geotechnical drilling also commenced at planned infrastructure locations in the Tumuanogoi area.

The following holes represent assays from geotechnical holes drilled during 2010 and subsequently submitted for assay this year, once engineering tests had been completed on the drill core.

YD 250 (Gremi)

Collar 292879E 9365065N Azimuth (AMG) 270@-65; E.O.H 302.7 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
96	186	90	0.61	193	0.19	3.09	0.80

$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$

YD 251 (Gremi)

Collar 292967E 9364892N Azimuth (AMG) 230@-65; E.O.H 281.6 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
36	207	171	0.45	159	0.04	2.18	0.61
Within this broad interval, the following noteworthy intersections occur:							
36	81	45	0.63	338	0.07	3.57	0.97
99	135	36	0.43	129	0.04	1.73	0.56
150	180	30	0.49	175	0.04	1.88	0.66
192	207	13	0.71	32	0.05	3.18	0.74

$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$

YD 252 (Gremi)

Collar 293307E 9364797N Azimuth (AMG) 050@-65; E.O.H 286.6 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
3	30	27	0.37	133	0.14	3.39	0.50
120	234	114	0.38	243	0.15	1.38	0.62
Within this broad interval, the following noteworthy intersections occur:							
153	189	36	0.56	296	0.18	1.81	0.86
204	234	30	0.38	149	0.15	1.36	0.53

$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$

YD 253 (Gremi)*Collar 293255E 9364727N Azimuth (AMG) 185@-65; E.O.H 302.4 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
18	36	18	0.43	51	0.18	2.4	0.49
162	210	48	0.44	107	0.04	2.68	0.55

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 254 (Omora)*Collar 292782E 9364208N Azimuth (AMG) 095@-55; E.O.H 452.4 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
360	384	24	0.37	186	0.03	3.5	0.55

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 257 (Omora)*Collar 293096E 9364044N Azimuth (AMG) 045@-70; E.O.H 266.2 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
144	225	81	0.41	150	0.06	2.46	0.56
Within this broad interval, the following noteworthy intersection occurs:							
144	171	27	0.69	191	0.09	0.49	0.88

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

The holes below represent the on-going in-fill and deep drilling campaign at Gremi and Imbruminda plus exploration holes at Dimbi drilled this year.

YD 350 (Gremi)*Collar 293182E 9365052N Azimuth (AMG) 210@-50; E.O.H 386.8 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
123	386	263	0.41	223	0.14	1.67	0.63
Within this broad interval, the following noteworthy intersections occur:							
180	276	96	0.63	379	0.23	2.86	1.01
333	386.8	53.8	0.40	58	0.05	1.73	0.46

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 354 (Gremi)*Collar 293091E 9364750N Azimuth (AMG) 035@-70; E.O.H 362.8 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
69	303	234	0.38	58	0.04	1.42	0.43
Within this broad interval, the following noteworthy intersections occur:							
69	102	33	0.57	64	0.04	1.87	0.63
114	162	48	0.40	61	0.03	1.64	0.46
285	303	18	0.70	247	0.06	2.47	0.94

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 355 (Imbruminda)*Collar 292196E 9365604N Azimuth (AMG) 215@-60; E.O.H 503.6 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
123	279	156	0.57	205	0.33	2.48	0.78
Within this broad interval, the following noteworthy intersections occur:							
123	150	27	0.39	442	0.41	1.87	0.83
192	279	87	0.82	180	0.42	3.45	1.00

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 356 (Gremi)*Collar 293386E 9364740N Azimuth (AMG) 030@-75; E.O.H 260.1 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
33	90	57	0.30	94	0.12	2.96	0.40
Within this broad interval, the following noteworthy intersections occur:							
45	57	12	0.48	141	0.17	3.65	0.61
78	90	12	0.39	135	0.10	2.94	0.53

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 357 (Imbruminda)*Collar 291843E 9365931N Azimuth (AMG) 000@-90; E.O.H 913.8 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
54	132	78	0.29	115	0.17	1.09	0.40
258	270	12	0.43	108	0.33	2.75	0.54

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 358 (Imbruminda)*Collar 291927E 9365304N Azimuth (AMG) 030@-60; E.O.H 530.9 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
303	315	12	0.89	227	0.06	2.25	1.18
336	393	57	0.54	146	0.06	2.24	0.68
465	529	64	0.98	215	0.21	5.17	1.20

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 359 (Gremi)*Collar 293091E 9364750N Azimuth (AMG) 035@-70; E.O.H 362.8 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
9	401	392	0.40	114	0.08	1.79	0.51
Within this broad interval, the following noteworthy intersections occur:							
9	72	63	0.80	250	0.25	3.39	1.05
87	120	33	0.52	66	0.06	2.43	0.58
144	198	52	0.41	181	0.03	1.63	0.59

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 364 (Imbruminda)*Collar 291987E 9365506N Azimuth (AMG) 035@-60; E.O.H 326.9 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
108	321	213	0.47	141	0.28	2.99	0.61
Within this broad interval, the following noteworthy intersections occur:							
129	156	27	0.76	156	0.36	4.03	0.92
171	213	42	0.71	112	0.45	4.25	0.83

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 365 (Dimbi)*Collar 293431E 9365334N Azimuth (AMG) 035@-65; E.O.H 284.8 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
147	284	137	0.43	190	0.13	2.26	0.62
Within this broad interval, the following noteworthy intersections occur:							
147	186	39	0.39	229	0.18	1.86	0.61
234	284	50	0.63	286	0.14	3.27	0.92

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 366 (Dimbi)*Collar 293295E 9365445N Azimuth (AMG) 035@-65; E.O.H 407.6 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
36	216	180	0.20	254	0.08	1.19	0.45
Within this broad interval, the following noteworthy intersections occur:							
99	126	27	0.22	514	0.10	1.12	0.74
156	180	24	0.15	356	0.05	1.2	0.50
189	216	27	0.67	435	0.23	2.92	1.10

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 367 (Imbruminda)

This hole returned 30m from surface grading 0.30 g/t Au. Gold then extends to 120m down hole from surface with an average grade of 0.18 g/t. In addition, the following polymetallic intersections are of note.

Collar 291903E 9365694N Azimuth (AMG) 220@-58; E.O.H 321.8 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
30	111	81	0.40	58	0.14	1.69	0.45
213	243	30	0.33	79	0.06	0.88	0.41
285	315	30	0.37	56	0.08	1.66	0.43

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD368 (Imbruminda)*Collar 291941E 9365654N Azimuth (AMG) 215@-60; E.O.H 377.6 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
4.5	377	373	0.39	135	0.13	1.53	0.52
Within this broad intersection is a higher grade zones:							
216	312	96	0.64	207	0.17	1.69	0.85

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD369 (Imbruminda)*Collar 292054E 9365816N Azimuth (AMG) 215@-50; E.O.H 451.4 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
210	318	108	0.14	301	0.14	0.44	0.44

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD370 (Imbruminda)*Collar 292164E 9365527N Azimuth (AMG) 215@-60; E.O.H 338.6 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
30	141	111	0.34	122	0.21	1.29	0.46
Within this broad intersection are higher grade zones:							
30	60	30	0.46	248	0.51	2.28	0.70
90	114	24	0.41	145	0.10	1.14	0.56
Top of the hole is marked by elevated Au:							
3	66	63	0.26	141	0.42	1.80	0.40

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD371 (Imbruminda)*Collar 292049E 9365562N Azimuth (AMG) 215@-60; E.O.H 283.8 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
4	102	97	0.66	145	0.32	2.18	0.80

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD373 (Imbruminda)*Collar 291865E 9365649N Azimuth (AMG) 215@-45; E.O.H 248 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
108	135	27	0.47	64	0.04	0.68	0.53

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD380 (Imbruminda)*Collar 292029E 9365096N Azimuth (AMG) 035@-50; E.O.H 415.1 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
294	321	27	0.45	48	0.04	1.37	0.50

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD383 (Imbruminda)*Collar 291915E 9365262N Azimuth (AMG) 035@-70; E.O.H 352.8 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
33	51	18	0.79	49	0.07	2.33	0.84
237	255	18	0.43	31	0.36	2.2	0.46
306	351	45	0.44	123	0.03	1.67	0.57

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 375 (Imbruminda)*Collar 291902E 9365608N Azimuth (AMG) 215@-60; E.O.H 399.9 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
33	297	264	0.51	284	0.11	1.22	0.80
Within this broad interval, the following noteworthy intersections occur:							
33	75	42	0.50	228	0.18	1.16	0.73
138	297	159	0.65	383	0.11	1.38	1.04

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 384 (Imbruminda)*Collar 292295E 9365384N Azimuth (AMG) 215@-70; E.O.H 413.3 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
108	330	222	0.43	75	0.09	0.97	0.50
Within this broad interval, the following noteworthy intersection occurs:							
117	195	78	0.68	57	0.15	1.35	0.74
Top of the hole is marked by elevated Au:							
3	90	87	0.12	10	0.25	0.78	0.13

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD398 (Imbruminda)*Collar 291779E 9365577N Azimuth (AMG) 215@-60; E.O.H 340.3 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
60	90	30	0.42	51	0.03	1.07	0.47
156	198	42	0.41	165	0.05	0.81	0.58
303	318	15	0.37	201	0.04	1.68	0.57

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 404 (Imbruminda)*Collar 291706E 9365494N Azimuth (AMG) 215@-60; E.O.H 352.3 m*

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
117	150	33	0.39	35	0.06	2.04	0.42
198	222	24	0.42	113	0.06	2.06	0.58
279	294	15	0.44	71	0.23	2.26	0.51

$$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$$

YD 407 (Imbruminda)

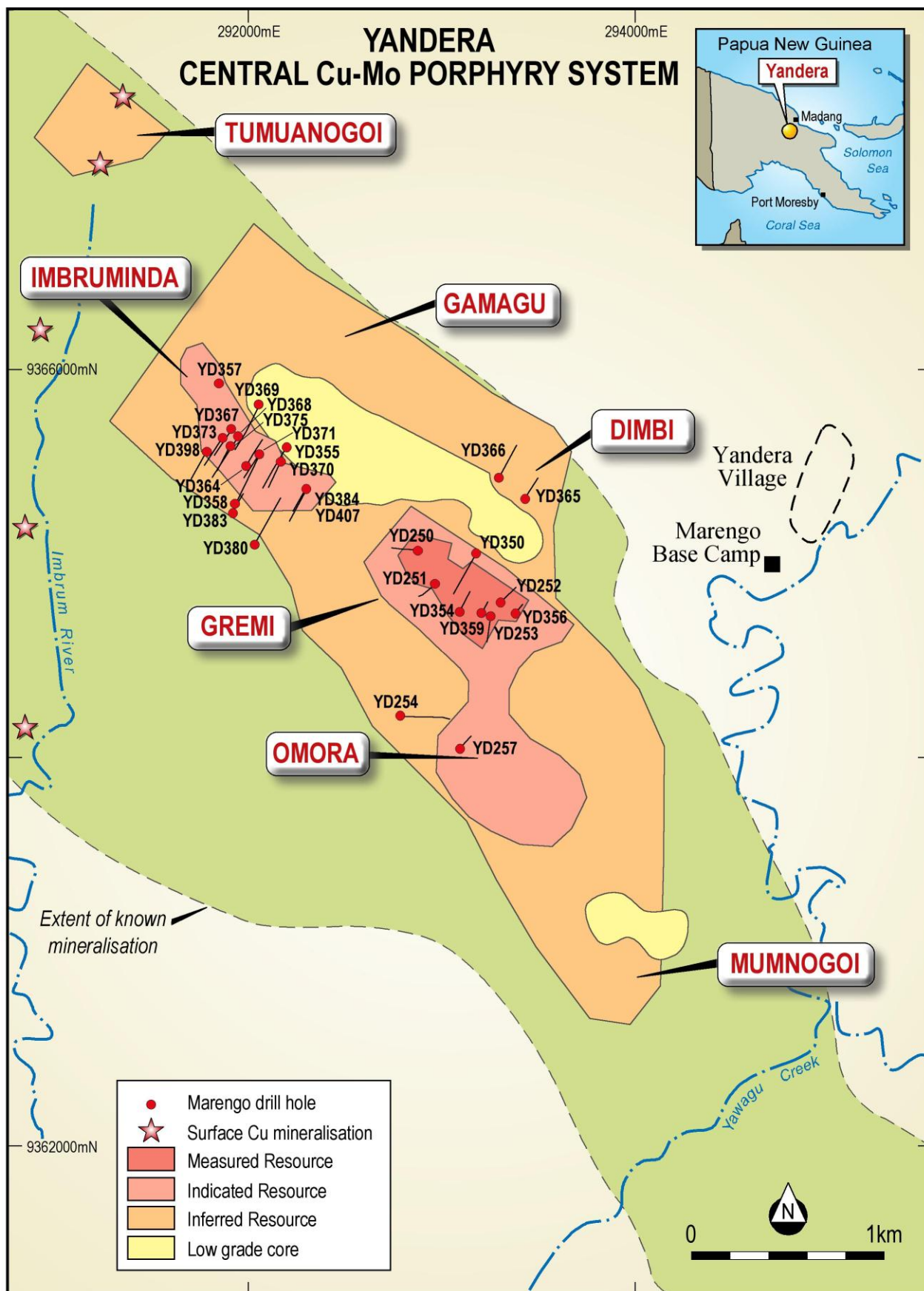
Collar 292295E 9365384N Azimuth (AMG) 215@-70; E.O.H 413.3 m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
123	264	141	0.48	28	0.05	1.35	0.51
Within this broad interval, the following noteworthy intersections occur:							
123	165	42	0.51	28	0.07	1.34	0.54
183	198	15	0.75	28	0.10	1.34	0.78
228	264	36	0.71	49	0.04	2.52	0.76
Top of the hole is marked by elevated Au:							
3	54	51	0.10	23	0.25	0.13	0.13

$\text{CuEq\%} = \text{Cu\%} + (10 \times \text{Mo\%})$



Figure 1
Yandera Central Porphyry System – Drill Location Plan



Regional Exploration

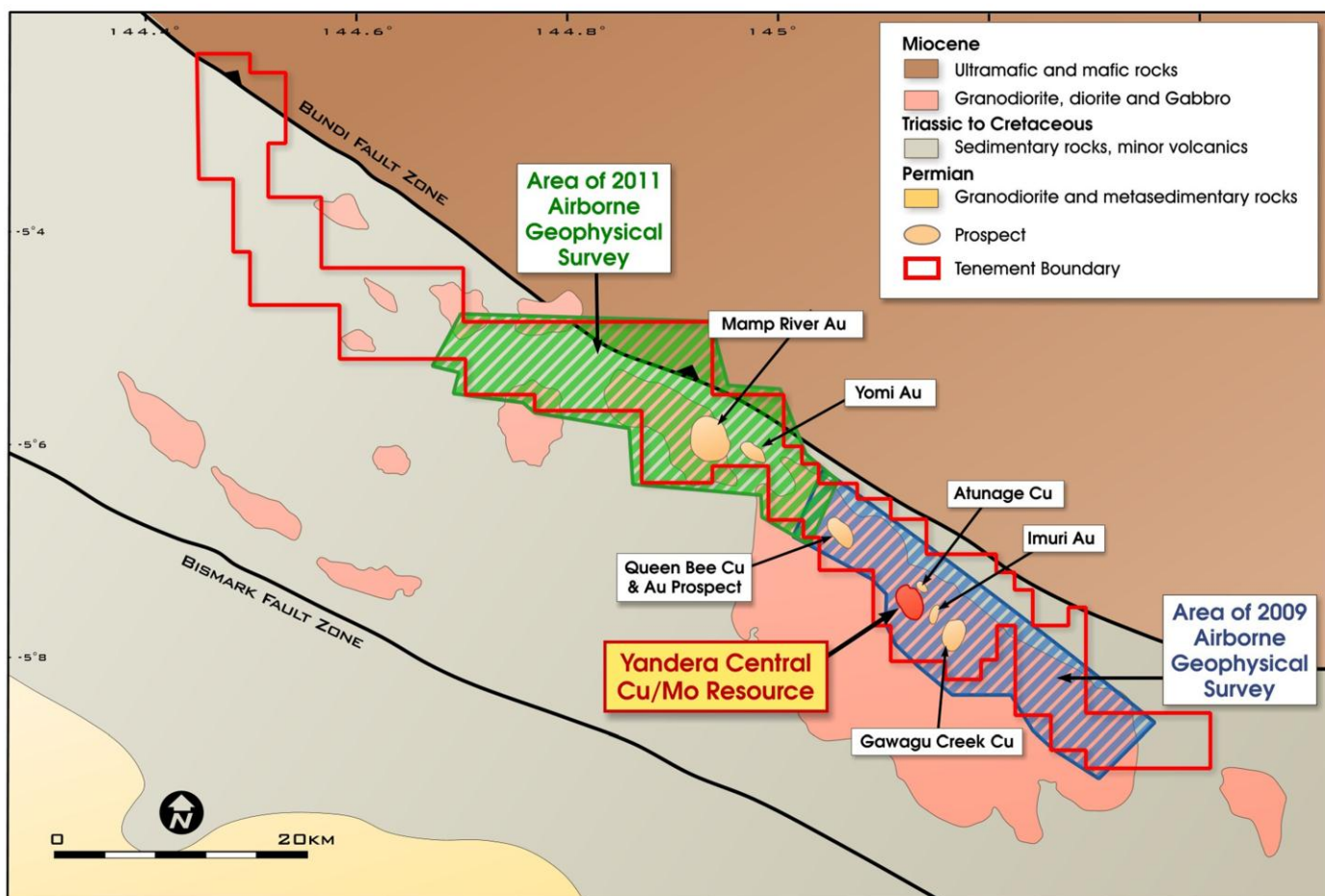
As previously announced, Marengo will boost its regional exploration program surrounding the Yandera project for both base metals and gold. Subject to results the Company has decided to increase this effort by spending up to A\$5M.

An extensive stream sediment and geological mapping campaign commenced during the quarter in the NW areas of EL1335 (Yandera) and over EL1633 (Yomi) to follow up on promising occurrences of gold mineralization previously identified from BLEG samples during reconnaissance work in 2006.

Stream sediment samples have been collected covering drainages around the Yomi and Mamp areas. To aid this work an airborne geophysical survey has been planned and is due to commence during the current quarter. This data set will be fully integrated with that already obtained in 2009. The extent of this new survey is shown in Figure 2 and will complement and enhance the lower resolution data available from the EU-funded program and used for regional mapping purposes.

Assay data from a ridge and spur soil sampling program over Dirigi Mountain, along strike to the south east of Yandera and within the Yandera alteration footprint, have also been received. These are currently being integrated with existing data and will be used for follow up work as appropriate.

Figure 2
Yandera Project – Regional Prospects



Community Matters

Marengo is committed to working with the community in all aspects of the developments associated with the Yandera Project.

Community awareness work continued during the quarter, mainly within the proposed infrastructure areas and pipeline route. Social impact and stakeholder engagement planning was undertaken, for implementation as soon as various options for infrastructure and easement locations have been assessed. Routine community awareness for ongoing field operations continued, including those communities where reconnaissance exploration work is being undertaken.

Compilation for the second bi-lingual Community Newsletter continued and will be released shortly. The first edition was very well received by communities in and around the Yandera Project area and to broader sections of the PNG government and business sectors. Copies of current and future newsletters are available on the Company's website (www.marengominig.com).

In addition, during the quarter the Company released a booklet titled "People of the High Country of New Guinea". In collaboration with respected anthropologist, Dr Laura Zimmer-Tamakoshi, this booklet documents a number of aspects of the local culture and history of the people of the Yandera district.

A copy can be viewed on the Company's website, or obtained on request to the Company's Australian office.



Safety, Health and Environment

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

Safety training and awareness was carried out throughout the period, with new safety and compliance manuals, being introduced. The new manuals will allow the Safety Department to better educate staff, track and report safety issues and can be easily expanded as the project moves forward. Several employees attended external safety training courses during the quarter.

The Yandera Camp clinic continued to treat Marengo employees and villagers, with a number of more serious medical cases being evacuated by helicopter to Government medical facilities. A health and nutrition survey covering the project impact area between Yandera and the Ramu River was also completed as part of the social and environmental impact permitting requirements.

Environmental baseline studies continued at Yandera and at various coastal areas, under the direction of environmental consultants, Coffey Environments. No environmental incidents or issues arose during the quarter.



CORPORATE AND FINANCIAL

Increased Substantial Shareholding

During the quarter, Canadian investment institution, OMERS (Ontario Municipal Employee Retirement System) filed a substantial shareholder notice to advise that it holds a 7.42% shareholding in the Company.

Annual General Meeting

The Company's Annual General Meeting is scheduled to be held at 4.00pm (WST) on Thursday, 10 November 2011, at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

General Meeting – 29 September 2011

A general meeting of shareholders was held on 29 September 2011 to consider a number of resolutions.

Resolutions 1 and 2 were passed, whilst Resolutions 3 to 11 (inclusive) were withdrawn.

Cash Reserves

At the end of the quarter the Company had cash reserves of A\$47.84M (C\$50.77M)



Les Emery
Managing Director / CEO
31 October 2011

www.marengominig.com

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ABOUT MARENGO MINING

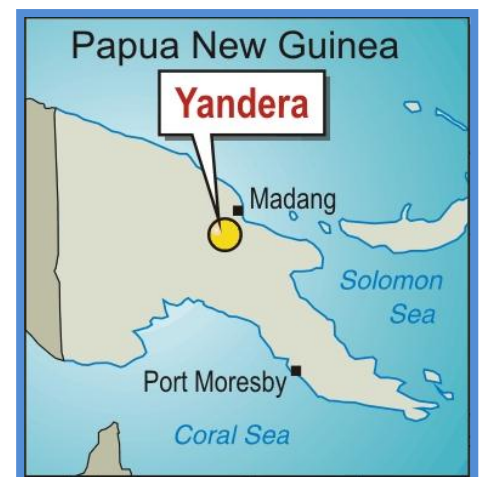
Marengo Mining Limited is an Australian-based metals company focused on the development of its Yandera Copper-Molybdenum-Gold Project in Papua New Guinea (PNG).

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

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

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

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



CORPORATE DIRECTORY**DIRECTORS**

John Horan
Chairman

Les Emery
CEO / Managing Director

Doug Dunnet
Non-Executive Director

Sir Rabbie Namaliu
Non-Executive Director

Susanne Sesselmann
Non-Executive Director

John W Hick
Non-Executive Director

Elizabeth Martin
Non-Executive Director

CHIEF FINANCIAL OFFICER

Mark Churchward

COMPANY SECRETARIES

John Ribbons

Dennis Wilkins

REGISTERED OFFICE

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STOCK EXCHANGE LISTINGS & Codes

Australia	- ASX	MGO
Canada	- TSX	MRN
PNG	- POMSoX	MGO

AUDITORS

Stantons International Audit and
Consulting Pty Ltd
Level 1, 1 Havelock Street
West Perth WA 6005
Australia

This news release does not constitute an offer to sell or the solicitation of an offer to buy any ordinary shares within the United States. The ordinary shares have not been offered and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, the ordinary shares may not be offered or sold in the United States or to U.S. persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration are granted.

RPO

NOTES

RATE DIRECTORY

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

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

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

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

Copper equivalent (CuEq) values are estimated on the basis of $\text{CuEq} = \text{Cu}\% + [10 \times \text{Mo}\%]$ i.e. copper metal @ US\$2/lb and molybdenum metal @ US\$20/lb. Adjustment factors to account for differences in relative metallurgical recoveries will depend upon the completion of definitive metallurgical testing. Metallurgical recoveries and net smelter returns are assumed to be 100%. **By-product metal values (i.e. gold, silver and rhenium) are not incorporated in the copper equivalent value.**

Drill samples were analysed by Intertek Group Laboratories, Jakarta, Indonesia.

For further information on the Project and the resources contained therein, please refer to the Company's Canadian NI 43-101 and Australian JORC compliant technical report "Yandera Copper Project, Madang Province, Papua New Guinea" (dated January 2009) which is available on the Company's website and at the (Canadian) SEDAR website.

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

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