



MARENGO
MINING LIMITED






ACN 099 496 474

QUARTERLY ACTIVITIES REPORT



THREE MONTHS ENDING 30 JUNE 2004

KEY POINTS

EXPLORATION

-  Marengo's exploration portfolio broadened with the acquisition of 100% interest in prospective Ni-Cu-PGE, diamond and titanium projects.
-  Plans well advanced for drill testing of five projects during calendar 2004.
-  Drill testing of the **Saltwater Pool (Ashburton)** gold targets is scheduled to commence in August following a Heritage Survey.
-  At **Blanche**, site access work and a Heritage Survey is scheduled for mid-August. Drilling of the pipe-like target is planned for September 2004.
-  An airborne electromagnetic survey is booked for August 2004 to test the **Minigwal Project** for magmatic nickel sulphides.

CORPORATE

-  Cash balance of \$2.5m at quarter end.
-  33.3m shares on issue (following recent project acquisitions).

ABOUT MARENGO MINING

Marengo Mining Limited listed on the Australian Stock Exchange on 13 November 2003 and controls a 100% interest in nine Western Australian and Northern Territory projects where exploration is targeting gold, Ni-Cu-PGE, diamond and titanium deposits within a number of different geological settings.

Marengo has commenced exploration on a number of its projects and will accelerate activities during the 2004 field season. In addition Marengo continues to review new opportunities which have the potential to add significant value to shareholders.

A tight capital structure (33.3 million shares on issue) provides excellent leverage to the future successes of Marengo.

For further information please visit our website at www.marengomining.com

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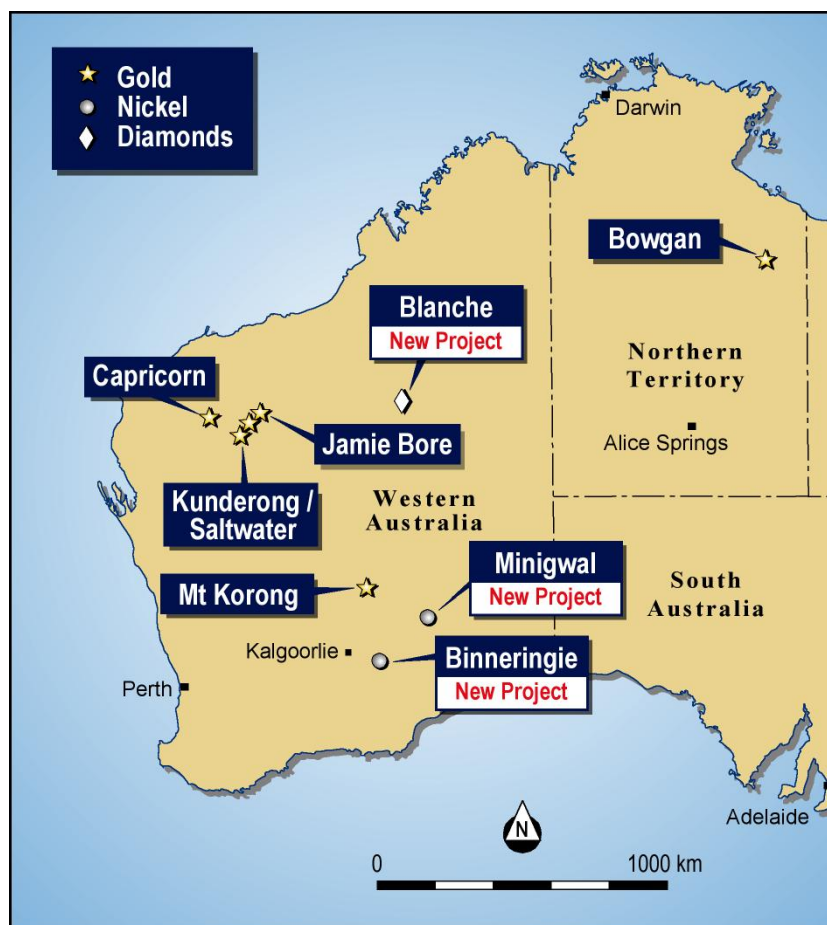
ASX Codes:
Shares – MGO
Options – MGOO

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PROJECT LOCATIONS

**NEW PROJECTS**

Marengo has acquired three new projects, prospective for Ni-Cu-PGE, diamonds and titanium.

This acquisition has broadened Marengo's project base, complementing its existing Ashburton gold projects, whilst diversifying its commodity exposure.

All three projects are planned to be drill tested during calendar 2004.

The projects which have been acquired are:

MINIGWAL NICKEL-COPPER-PGE PROJECT (100% interest) Mount Margaret Mineral Field.

Located 280km north east of Kalgoorlie, the Minigwal Project covers a mafic- ultramafic complex considered highly prospective for Ni-Cu-PGE mineralisation. In addition the project has excellent potential for economic hard-rock titanium (ilmenite).

NEW PROJECTS (cont.)**BLANCHE DIAMOND PROJECT (100% interest) Pilbara Mineral Field.**

The Blanche Diamond Project, located 350km east of Newman in the Pilbara region, contains an already defined magnetic target, interpreted to be a possible kimberlitic volcanic pipe. A cluster of similar features occur along the structural corridor covered by the project tenement.

BINNERINGIE NICKEL-COPPER-PGE PROJECT (100% interest) – Northeast Coolgardie Mineral Field.

Located on the Binneringie Dyke south-east of Kambalda, the Binneringie Project contains a boat-shaped magnetic feature which is prospective for magmatic Ni-Cu-PGE sulphides.

TERMS OF ACQUISITION

The project interests detailed above have been acquired by way of issue of 1,500,000 fully paid shares in Marengo Mining Limited, with an attaching (unlisted) option, exercisable at 25 cents on or before 30 November 2008.

The vendor, Mr Ronald Smit, is the Company's Exploration Manager who acquired these projects prior to being employed by Marengo, following its ASX listing in November 2003.

Mr Smit is a geologist with many years experience in mineral exploration in both Australia and overseas and previously held senior exploration positions with BHP Minerals for some 20 years.

The Board has been particularly keen to acquire an interest in these projects for some time and is pleased to see their addition to Marengo's exploration portfolio.

**MINIGWAL NICKEL-COPPER-PGE PROJECT, FRASER BELT, WA
(100% MARENGO)**

This project is located 280 km northeast of Kalgoorlie on the western margin of the Great Victoria Desert. The principle target is a large gravity and magnetic anomaly interpreted to be part of a large magmatic complex and considered an excellent target for magmatic sulphide deposits such as Voisey Bay in Canada and Jinchuan in China.

The dimension of the magnetic component of the complex is approximately 12 x 1.2 km. It is extremely magnetic and appears as a very discrete entity along the craton margin of the Archaean Yilgarn Block. The complex is hosted within a northwest thrust block consisting of Proterozoic granite gneiss and mica schists and is buried under very shallow sand cover (< 20m).

**MINIGWAL NICKEL-COPPER-PGE PROJECT, FRASER BELT, WA (cont.)
(100% MARENGO)**

BHP Minerals explored the magnetic feature in 1982 as part of a wider search for Olympic Dam Cu-U-Au style mineralisation. An aeromagnetic survey was flown and two shallow holes were drilled which intersected a banded meta Fe-rich gabbro and massive magnetite-ilmenite-apatite mineralisation. These rock types along with the regional geological parameters support the concept of a large magmatic complex with the potential to host nickel sulphides.

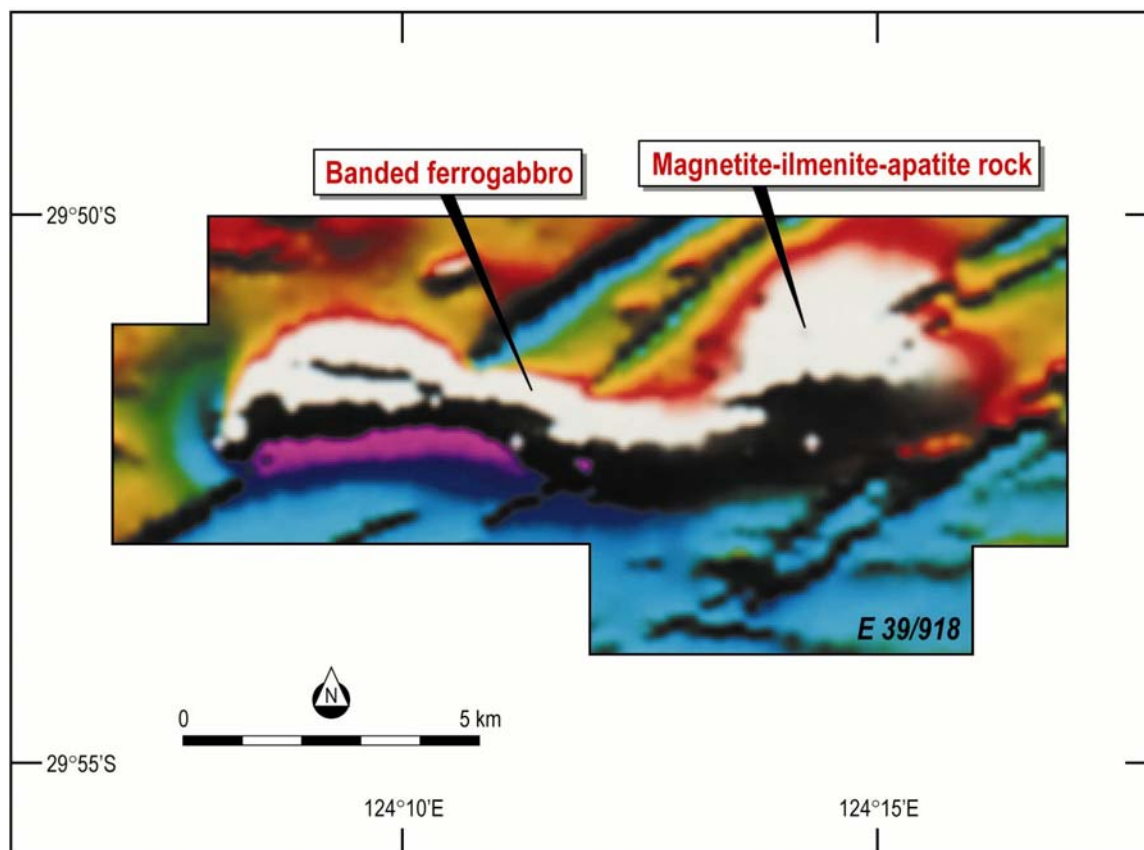
The project also has potential for hard-rock ilmenite. In the mineralised drill hole referred to above, ilmenite is co-dominant with magnetite with subdominant apatite. Based on the drill log and the petrological description (as this hole was not assayed for Fe, Ti or P) a TiO₂ value approaching or exceeding 20% can be expected. If this holds true it is a very significant result and potentially represents an economic intersection. The mineral assemblage is similar to the world-class Tellnes hard-rock Ti deposit (300Mt at 18% TiO₂) located in Norway (annual ilmenite production ~ 550,000 t, ~ 7% of world production).

PLANNED ACTIVITIES

The exploration strategy is to complete an airborne electromagnetic survey (HoistEM) in order to detect strong conductive bodies associated with massive nickel-copper-PGE sulphides. Preliminary plans are in place and it is expected that this survey will be flown in August.

MINIGWAL PROJECT

Aeromagnetic image showing magnetic complex to be tested by HoistEM Survey



**BINNERINGIE NICKEL-COPPER-PGE PROJECT, YILGARN BLOCK, WA
(100% MARENGO)**

This project is located 85 km southeast of Kambalda and 85 km due east of Widgiemooltha. The Binneringie Dyke has many similarities with the nickel bearing Jimberlana Dyke located 50 km to the south which is being actively explored by other operators.

An unusual magnetic “blow-out” located along the Binneringie Dyke is interpreted to represent the root zone of a layered mafic intrusion. If this interpretation is correct then this magma feeder root would have been a zone of high melt throughput and flow differentiation and hence, a highly prospective zone for the precipitation of magmatic nickel-copper-PGE sulphides.

The magnetic “blow-out” is a boat-shaped feature which is 11 km long and up to 4 km wide. It is characterised by a strongly magnetic outer margin with embayments (probably representing ultramafic rocks) and a non-magnetic core of probable gabbro-norite composition.

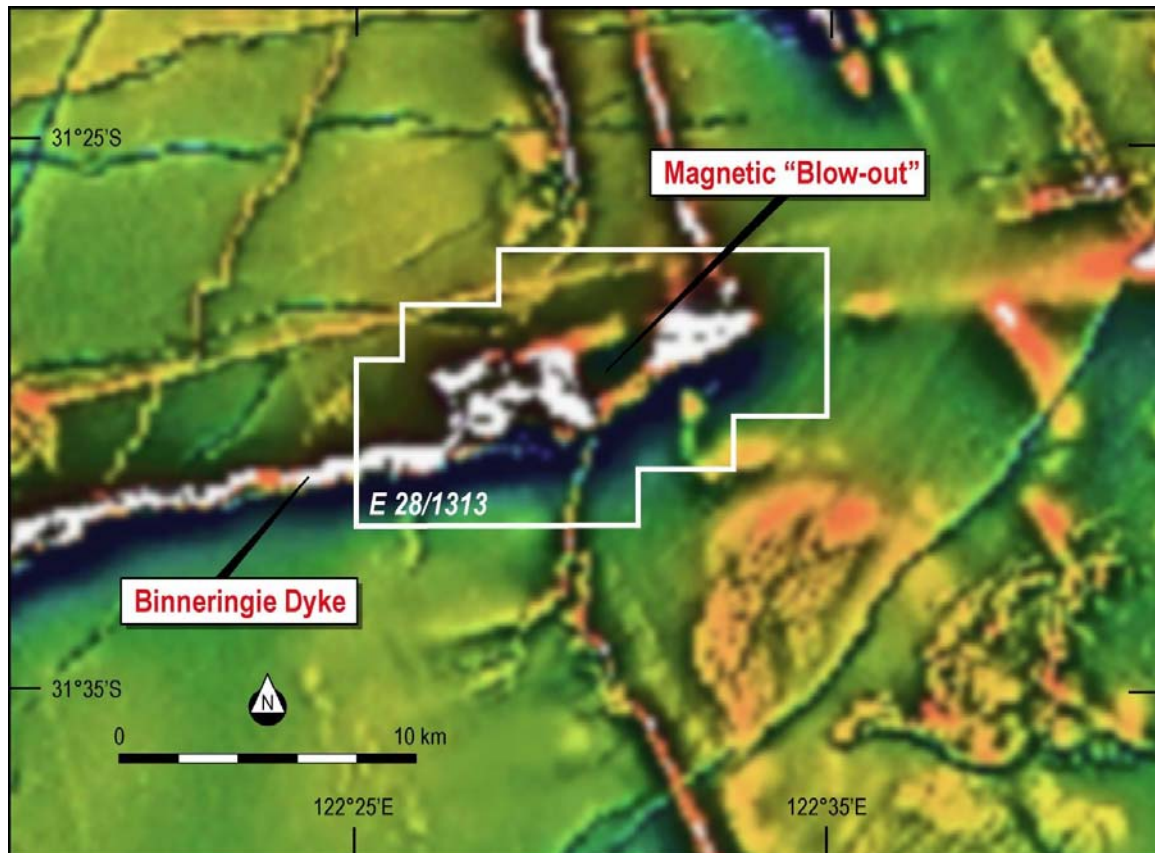
The majority of the mafic complex is buried beneath a thin transported cover sequence. The thickness of cover is expected to be variable but mostly < 50m. The only outcrop of the mafic complex corresponds to the western margin of the body.

A review of all previous exploration in the district indicates that the magnetic “blow-out” has never been tested for magmatic sulphides.

PLANNED ACTIVITIES

A field inspection has shown that the area is dominated by salt lakes, which indicates that electromagnetic screening techniques will likely be of limited effectiveness.

Detailed airborne magnetic data has been acquired for the area and an interpretation has commenced to look for magnetic highs, embayments and other anomalous structural features. It is planned to drill test a selection of targets by the end of the calendar year.

BINNERINGIE PROJECT**Aeromagnetic image showing thickening of dyke****BLANCHE PROJECT, RUDALL BLOCK, WA
(100% MARENGO)**

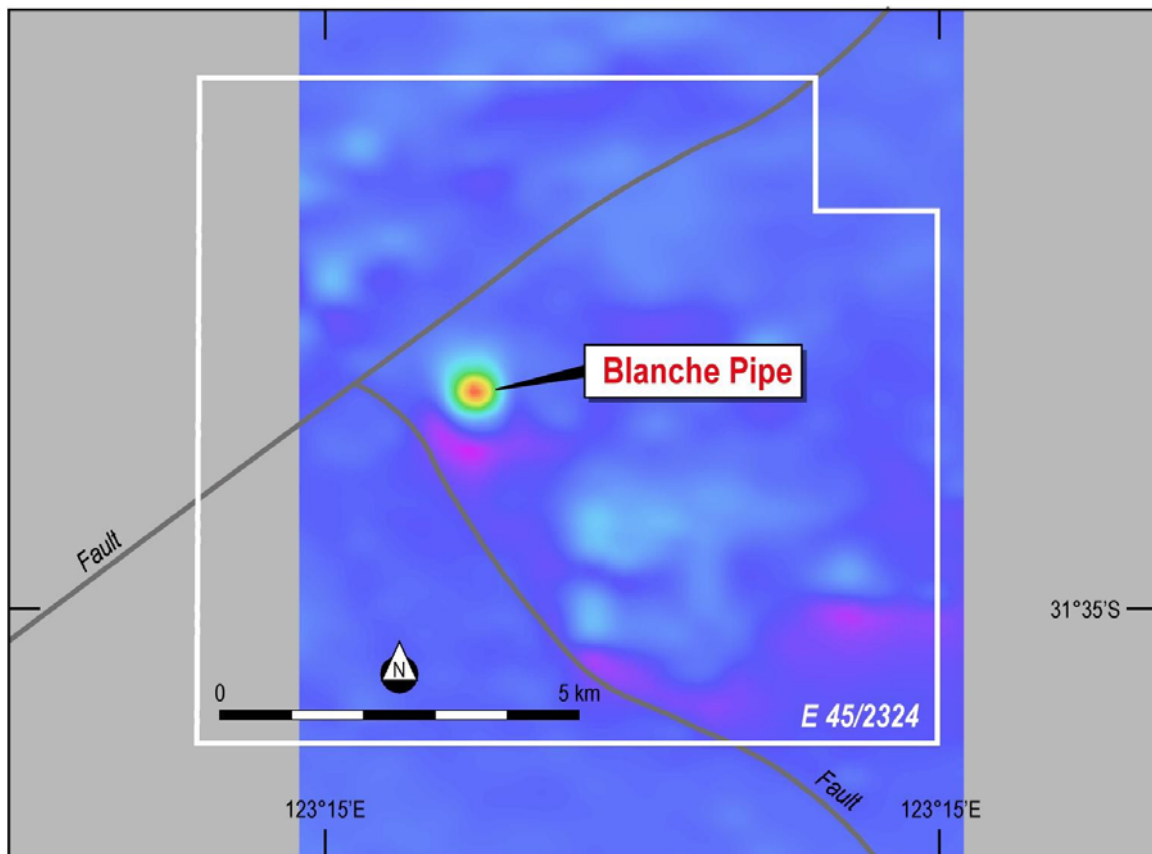
This project is located within the Tabletop Terrane of the Rudall Metamorphic Complex some 350 km east of Newman. An aeromagnetic survey flown by BHP Minerals in the mid 1990's detected an intense circular magnetic feature on the western margin of the Great Victoria Desert. This magnetic target has never been tested and lies within a narrow northwesterly trending structural corridor.

The magnetic target is buried beneath aeolian sand and possibly Permian glacials. A ground magnetic survey (2003) was completed over the magnetic target and modelling of this data indicates that the top of the pipe-like body is 80 – 90m below surface with a depth extent much greater than 500m. The pipe-like body has a diameter of ~ 250m and the magnetic susceptibility is very high.

This bulls-eye magnetic body is interpreted as a volcanic pipe/diatreme and may be a kimberlite or carbonatite. A cluster of similar features with much lesser magnetic susceptibility (some with coincident topographic features) occur along the northwesterly trending structural corridor. These features represent additional targets.

**BLANCHE PROJECT, RUDALL BLOCK, WA (cont.)
(100% MARENGO)****PLANNED ACTIVITIES**

The exploration strategy is to drill test the bulls-eye magnetic target. The planning for this is well advanced with access preparation and a Heritage Survey scheduled for mid-August. Drilling is subject to drill-rig availability. The aim is to test this target in September 2004.

BLANCHE PROJECT**Aeromagnetic image showing target pipe to be drilled****SALTWATER PROJECT, ASHBURTON DISTRICT, WA
(100% MARENGO)**

A site visit was completed to finalise the planned drill program. Approximately 10 holes and 1000m of drilling is planned to test the Saltwater Pool Gold Prospect and the anomalous RAB spoil sample. Ground access work and a Heritage Survey are scheduled for early August. Drilling is expected to commence in late August.

**BOWGAN PROJECT, NT
(100% MARENGO)**

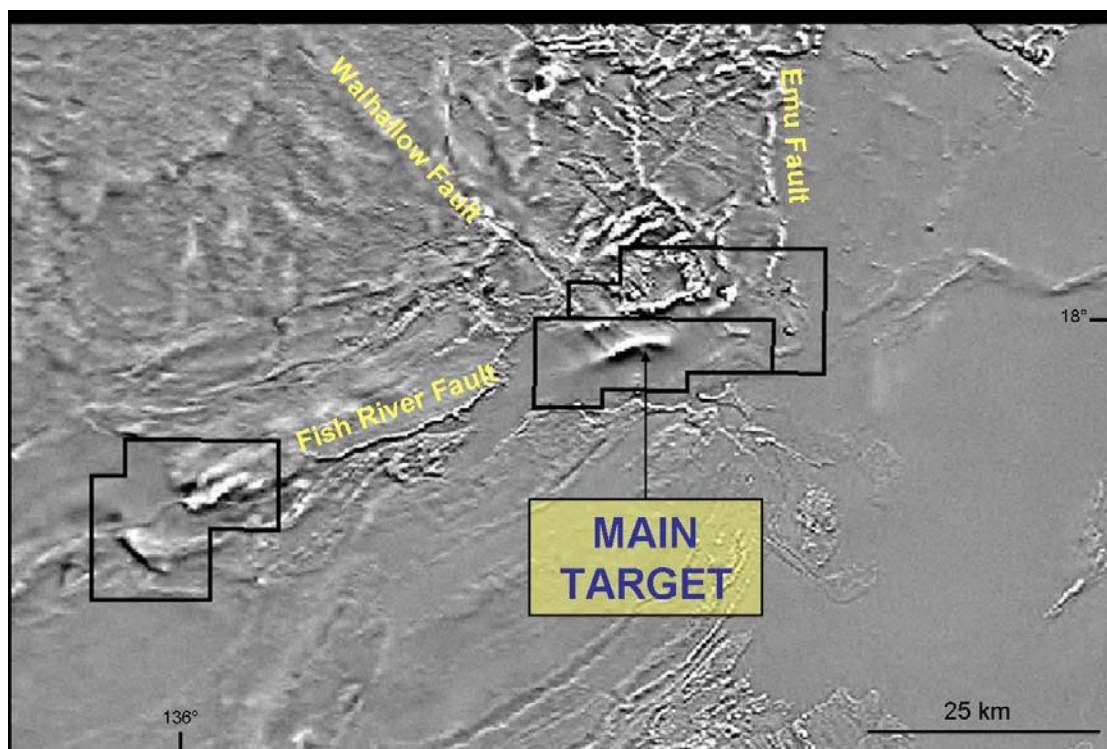
Marengo has a strategic landholding at Bowgan, located approximately 200 km south of Borroloola in the Northern Territory where the target is unconformity hosted gold – uranium mineralisation (Coronation Hill style) along the Fish River Fault. Three Exploration Licence Applications cover magnetic features.

The main target (as shown on the aeromagnetic image below) is a 6 km long linear magnetic anomaly that has in parts a coincident electromagnetic anomaly.

The main target has never been tested and geophysical modelling indicates a depth to target of approximately 50m. This is a direct drill target and will be tested by Marengo as soon as the original licence application is granted (anticipated later 2004).

BOWGAN PROJECT

Aeromagnetic image showing main target to be drilled on grant of tenement



**NUNYERRY PROJECT, WEST PILBARA MINERAL FIELD, WA
(100% MARENGO)**

In March 2004 Marengo entered into an option to purchase this project, following receipt of assays from a number of gossanous vein samples. These samples contained elevated gold and base metal values.

Follow-up work failed to detect any substantial zones of mineralisation and the option has been relinquished.

**KUNDERONG & JAMIE BORE PROJECTS, ASHBURTON DISTRICT, WA
(100% MARENGO)**

The technical review of these projects is ongoing. A decision on the next step will be influenced by the outcome of the Saltwater Pool drilling program.

**MT KORONG PROJECT, LAVERTON DISTRICT, WA
(100% MARENGO)**

No further field work undertaken.

**CAPRICORN PROJECT, ASHBURTON DISTRICT, WA
(100% MARENGO)**

No field work undertaken.

CORPORATE

Cash at Bank

At the end of the quarter the Company had cash reserves of \$2.5M.

Substantial Shareholders

During the quarter the Company received no substantial shareholder notices.



Les Emery
Managing Director

21 July 2004

The information in this report (other than the Minigwal, Binneringie and Blanche Projects) is based on information compiled by Mr Ron Smit, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Smit has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 1999 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Smit consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The technical information in this report (referring to the Minigwal, Binneringie and Blanche Projects) is based on information compiled by Dr Doug Dunnet. Dr Dunnet is a geologist and a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Dunnet has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 1999 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Dr Dunnet is a director of Marengo Mining Limited and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

<p><u>http://www.marengominig.com</u></p>

CORPORATE DIRECTORY

Board of Directors

John Horan	Chairman
Les Emery	Managing Director
Dennis Wilkins	Director
Doug Dunnet	Non Executive

Company Secretary

Dennis Wilkins

Exploration Manager

Ron Smit

Issued Share Capital

Marengo Mining has 33,250,377 ordinary shares currently on issue (ASX Code: MGO) and 13,497,746 listed options (20 cents expiring 28 February 2008) (ASX Code: MGOO).

Major Shareholders

Current major shareholders are:

Allundy Pty Ltd	10.73 %
Management	13.56 %

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