



MARENGO
MINING LIMITED

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ASX / MEDIA RELEASE

YANDERA COPPER-MOLYBDENUM PROJECT – DRILLING UPDATE

- **Resource drilling program advancing with the first two diamond holes completed.**
 - **Both holes have intersected broad zones of disseminated mineralisation – first assay results expected by late July 2006.**
 - **Appointment of experienced international mining and exploration executive, Mr Johan Smit, as Principal Consulting Geologist.**
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Diversified metals company Marengo Mining Limited (ASX Code: **MGO**) today announced an update on drilling activities at its 100%-owned Yandera Copper-Molybdenum Project in Papua New Guinea.

The first two diamond drill holes have been completed and further drilling is currently in progress within the Gremi Zone of copper-molybdenum mineralisation, one of the principal mineralised zones at Yandera.

Preliminary inspection of the drill core has confirmed that both holes have successfully intersected broad zones of disseminated copper-molybdenum mineralisation. Samples have been submitted for assay, and first results are expected by late-July 2006, and will be announced to the market as they become available.

The aim of the current diamond drilling program, which is planned to continue until at least October, is to upgrade Marengo's confidence of the Gremi and Omora mineralised zones. These two zones were selected for the initial work, as they have good near surface mineralisation and with expected low strip ratios, could form the basis for a likely "starter pit" scenario.

The two holes which have been completed (YD 103 and YD 104) are part of a nine hole program over the Gremi Zone (see plan below).

Hole YD 103 (Final Depth -250m) intersected sporadic Cu and Mo mineralisation from 98m to 179m (downhole).

Hole YD 104 (Final Depth -417m) intersected zones of mineralisation from 22m to 53m and 218m to 399m.

Level 2, 9 Havelock Street West Perth Western Australia 6005
PO Box 289 West Perth Western Australia 6872
Email: marengo@marengomining.com

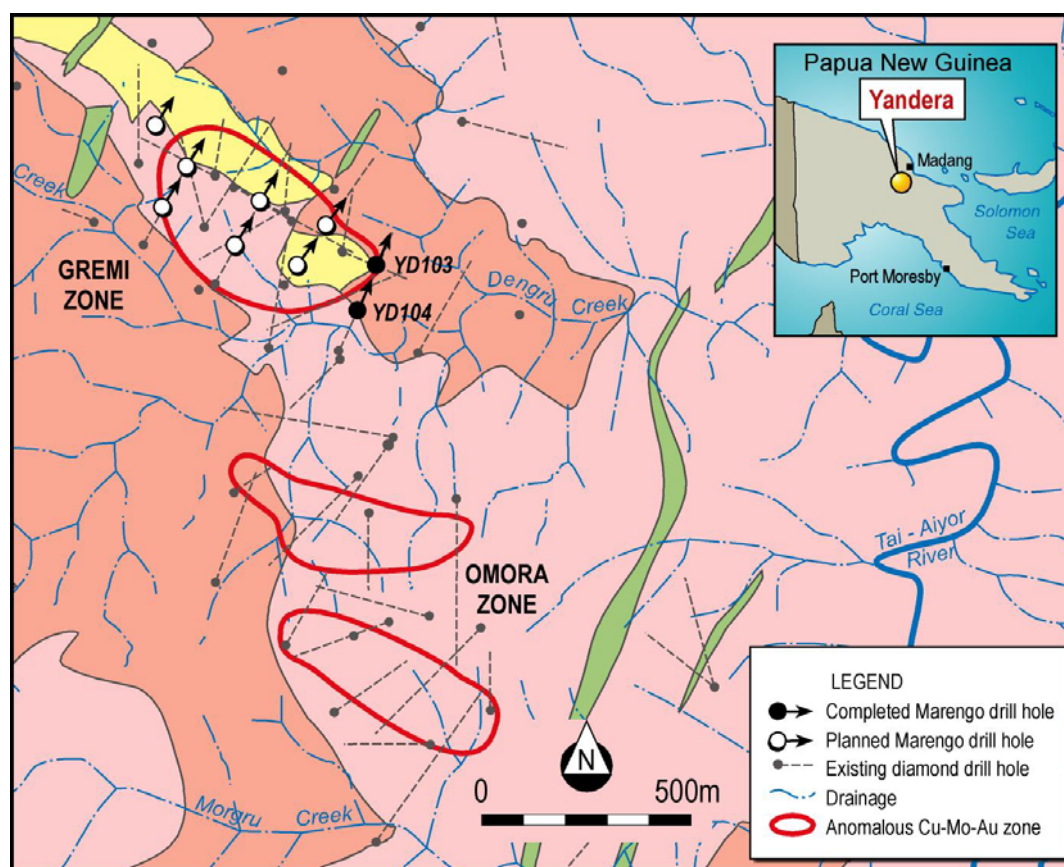
Telephone: +61 8 9429 0000
Facsimile: +61 8 9429 0099
Website: www.marengomining.com



It should be noted that the first two holes were drilled on what was previously determined to be the south-eastern limit of the Gremi Zone, however with the intersection of mineralisation in both holes, the Gremi Zone now remains open in that direction.

The second drill rig is currently being airlifted into position, giving Marengo two rigs operating around the clock for the rest of the field season.

On completion of the Gremi and Omora drilling the focus will shift to the nearby deeper, but higher grade Imbruminda Zone (north of Gremi).



Marengo has engaged Golder Associates to assist it with the Yandera Project, principally in the generation of an initial JORC compliant resource for the Gremi and Omora Zones.

Golder Associates is an internationally recognised leader in all aspects of earth engineering with over 80 offices worldwide.

First discovered by Australian Government geologists in the 1950s, the Yandera Project is located 95km south west of the coastal town of Madang, PNG, and represents one of the South West Pacific region's largest undeveloped copper-molybdenum porphyry deposits.

The Yandera porphyry is an extremely large mineralised system containing eight coherent mineralised zones identified to date from 102 diamond drill holes over an area of more than 12km², all of these zones remain open in one or more directions.

Director Retirement and New Appointment

Marengo also today announced that Mr Ron Smit has advised his intention to step down from the Board for family reasons.

Mr Smit has held the position of Exploration Manager since Marengo listed on the ASX in November 2003, and was appointed to the Board in January 2005. He has made a major contribution to Marengo's development as a diversified metals company focused on PNG. Marengo's Board would like to thank him for his efforts over the past three years and wish him and his family well for the future.

Mr Peter Dendle, who joined the Company last year, remains in the key position of Project Manager for the Yandera Project. Mr Dendle is a geologist with more than 30 years experience in Africa, North America, Europe, South-East Asia and Australia.

In addition, Marengo is pleased to announce the appointment of **Mr Johan Smit**, a senior exploration and mining executive with over 40 years international experience in both exploration and mining, as Principal Consulting Geologist to the Company.

Mr Smit worked on the Yandera Project with BHP in the 1970s and has an intimate knowledge of the Project. Mr Smit was first seconded to PNG in 1963 after commencing his career with the Bureau of Mineral Resources in Canberra, and was based in Wau and Port Moresby – subsequently holding senior positions with Triako Mines, BHP and Niugini Mining.

Mr Smit has worked on numerous porphyry copper deposits including, for the last three years, as the principal consultant for Monterrico Metals Plc, working on the Rio Blanco porphyry copper-molybdenum project in northern Peru. He has worked on most of the major PNG porphyry systems including Yandera, Porgera, Ok Tedi and Plesyumi. His appointment represents an important addition to the Marengo team, adding further significant technical depth and experience to the Company.



Les Emery
Managing Director
Marengo Mining Limited
Telephone: (+61 8) 9429 0000
Mobile: 0407 190 860
Email: marengo@marengominig.com

WWW.MARENGOMINING.COM