



**MARENGO**  
MINING LIMITED

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ASX / MEDIA RELEASE

## **YANDERA RESOURCE DRILLING DELIVERS FURTHER MAJOR INTERSECTIONS**

- **Latest diamond drilling returns broad intersections of copper-molybdenum mineralisation including 180m @ 0.74% Cu Eq and 54m @ 0.74% Cu Eq.**
- **New results confirm internal continuity of Gremi zone and integrity of historic drilling.**
- **Resource drilling scheduled to continue until October/November to generate a JORC compliant resource estimate before the end of 2006.**

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Diversified metals company Marengo Mining Limited (ASX Code: **MGO**) is pleased to announce that it has received further excellent results from the current resource drilling program at its **Yandera Project** in Papua New Guinea, with drilling continuing to intersect broad zones of copper-molybdenum mineralisation and confirming the extensive nature of the Yandera mineralised system.

In addition to the results reported on 8 August 2006 from diamond drill holes YD 103 and YD 104, located on the margins of the Gremi zone of mineralisation, Marengo today announced results from drill holes YD 105 and YD 106, located within the main Gremi zone, which returned intercepts including:

- **180 metres @ 0.74% copper equivalent from surface ( YD 106)**
- **54 metres @ 0.74% copper equivalent from 96 metres (YD 105)**

Marengo has also restated the previously reported results of holes YD 103 and YD 104 on a copper equivalent basis. These holes returned intercepts including:

- **63 metres @ 0.71% copper equivalent, 63 metres at 1.17% copper equivalent and 66 metres at 0.66% copper equivalent** within an overall **417 metre** intercept of disseminated copper-molybdenum mineralisation (YD 104); and
- **36 metres at 0.51% copper equivalent and 36 metres at 0.59% copper equivalent** within an overall **250 metre** intercept of disseminated copper-molybdenum mineralisation (YD 103).

**Yandera Resource Drilling – Diamond Drilling Results Reported to date**

Hole ID	Zone	From (m)	To (m)	Interval (m)	Cu (%)	Mo (ppm)	Copper Equivalent (%)
YD 103	Gremi	21	57	<b>36</b>	0.51	<100	<b>0.51</b>
		115	151	<b>36</b>	0.46	130	<b>0.59</b>
		160	187	<b>27</b>	0.44	<100	<b>0.44</b>
YD 104	Gremi	9	72	<b>63</b>	0.48	230	<b>0.71</b>
		108	174	<b>66</b>	0.38	282	<b>0.66</b>
		186	249	<b>63</b>	0.27	900	<b>1.17</b>
YD 105	Gremi	30	84	<b>54</b>	0.38	243	<b>0.62</b>
		96	150	<b>54</b>	0.40	336	<b>0.74</b>
		192	214	<b>22</b>	0.42	278	<b>0.70</b>
YD 106	Gremi	0	180	<b>180</b>	0.50	238	<b>0.74</b>

Note: (1) copper equivalent grade is based on a copper price of US\$3.50/lb and a molybdenum trioxide price of US\$26/lb.

Note: (2) interval boundaries based on a 0.2%Cu cut-off.

Note: (3) coordinates for the reported drill holes are as follows:

YD 103 (293250mE, 9364790mN, -60° @ 030° mag)

YD 104 (293256mE, 9364706mN, -60° @ 030° mag)

YD 105 (293154mE, 9364866mN, -60° @ 030° mag)

YD 106 (293116mE, 9364946mN, -60° @ 030° mag)

Holes YD 103 and 104 were step-out drill holes completed on the south-eastern margin of the Gremi zone, one of the principal mineralised zones at Yandera, with the results confirming the potential for significant extensions to the known mineralisation. The new holes, YD 105 and YD 106, have confirmed the internal continuity of the Gremi mineralised zone and increased the level of confidence in the historic drilling at Yandera.

The holes reported to date represent the first phase of the current resource drilling program, which is designed to confirm the existing mineralisation within the Gremi, Imbruminda and Omora zones (see Fig. 1) to enable generation of a JORC compliant resource estimate for the Yandera Project before the end of calendar 2006.

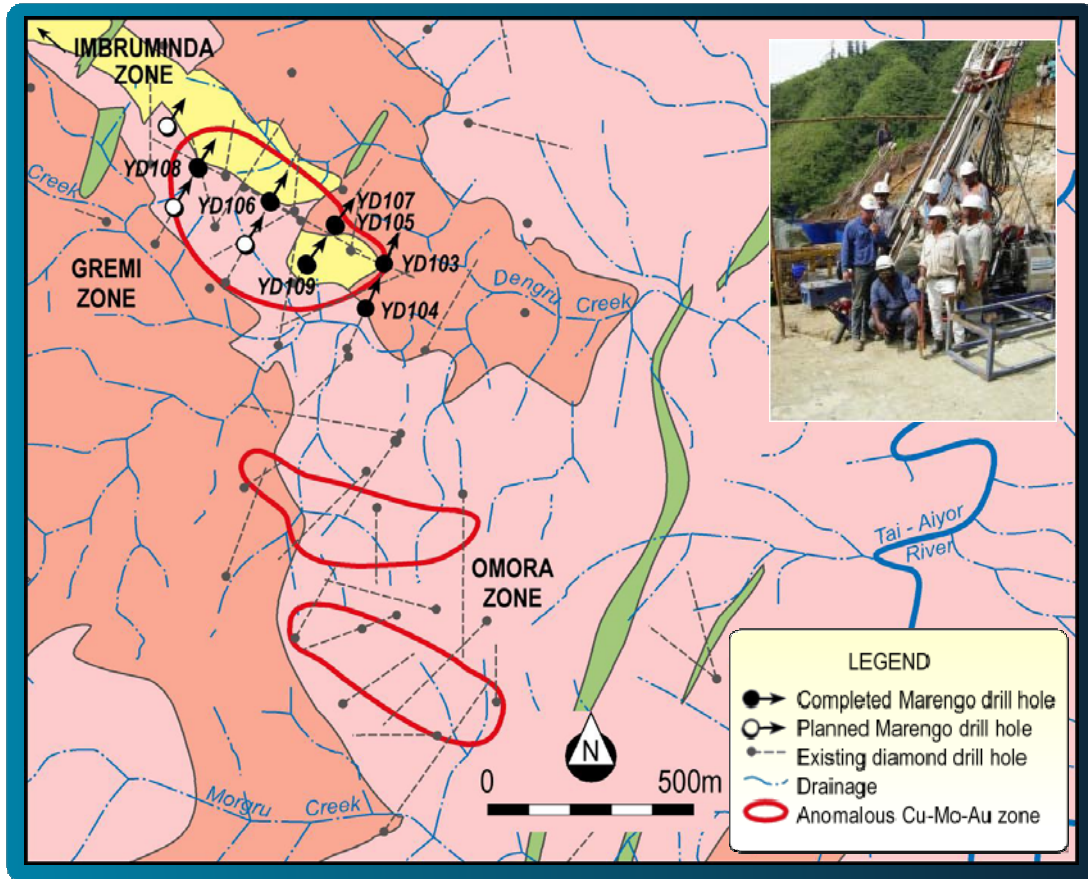
Located in Madang Province less than 20km from the planned US\$850 million Ramu Nickel Project, the Yandera Project is believed to be one of the South Pacific's largest undeveloped copper-molybdenum projects.

The Yandera porphyry is an extremely large mineralised system containing eight known, coherent mineralised zones, identified to date from more than 100 diamond drill holes, which were mostly drilled by Kennecott and BHP in the early 1970's. More than US\$20 million was expended at that time, resulting in the generation of a number of pre-JORC resource estimates and the completion of a mining scoping study by BHP.

Marengo's Managing Director, Mr Les Emery, said the results from the resource drilling program received to date were very encouraging, confirming the integrity of the historic drilling data and reinforcing the continuity of one of the key mineralised systems at Yandera and its potential to underpin a substantial JORC compliant copper-molybdenum resource.

"We are very pleased with progress to date, with the current initial phase of drilling progressing on schedule and planned to continue until the onset of the wet season in October/November," Mr Emery commented. "The Phase 1 resource drilling is targeting those zones which have good near-surface mineralisation and, with expected low strip ratios, have the potential to form the basis for a likely 'starter pit' scenario to generate early cash flow in a future large-scale mining development."

Fig.1 Yandera Phase 1 Resource Drilling – Drill Hole Locations



Given its relative proximity to the seaport of Madang, located 95km to the north west, the proposed Ramu nickel project, and other well-developed regional infrastructure, Yandera is well placed for future development.

During the course of its activities at Yandera, BHP Limited commissioned preliminary metallurgical testwork which indicated that the primary material was amenable to conventional flotation. Further metallurgical testwork will be carried out as part of Marengo's project activities.

  
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*The information in this report is based on information compiled by Dr Doug Dunnet, who is 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 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Dr Dunnet consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.*