



ACN 099 496 474

12 July 2005

Announcements
Australian Stock Exchange Limited
Level 8
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir

**RE: MARENGO TARGETS JORC COMPLIANT RESOURCE FOR YANDERA
COPPER-MOLYBDENUM PORPHYRY SYSTEM (ASX CODE: MGO)**

Marengo Mining Limited ("Marengo") has the right to earn a 50% interest in the Yandera Project, which is located in the Madang Province of Papua New Guinea, by expending A\$500,000. Thereafter Marengo may increase its interest up to 90% in the project, subject to the election of its joint venture partner (PNG registered, Belvedere Limited).

Marengo recently acquired, from Triako Resources Limited, an almost complete set of Yandera reports, which contain exploration and project evaluation information spanning the period 1970 to 1989. This dataset includes 144 hard copy reports and in excess of 500 original plans and sections.

The information acquired contains all exploration and drilling data, resource estimates, which predate the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"), and development scoping studies. This data is now being utilised in a detailed re-assessment of the Yandera Project, by Marengo.

Yours faithfully

Les Emery
Managing Director

Atts

12 July 2005

ASX RELEASE

MARENGO TARGETS JORC COMPLIANT RESOURCE FOR YANDERA COPPER-MOLYBDENUM PORPHYRY SYSTEM (ASX CODE: MGO)

The Yandera Copper-Molybdenum (Cu-Mo) porphyry is an extremely large mineralised system. Previous exploration in the 1970's outlined eight coherent mineralised zones which were identified from 102 diamond drill holes totalling 32,000 metres over an area of more than 12km². The pattern and density of drilling is such that virtually all of the mineralised zones are open in one or more directions.

During the late 1970's a number of papers were published stating the indicated and inferred resources for the Yandera Cu-Mo porphyry (Economic Geology V73, 1978 pp. 810 - 856). These resources were compiled by competent geoscientists using the best estimation tools available at the time. Nonetheless, given the modest drilling density and the complexity of the mineral system this estimate would not be currently considered compliant with the Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves ("JORC").

Marengo however, is confident that the quantity and grade of those earlier estimates are of the right order and that with further drilling a target size greater than 300 million tonnes with copper grades in the range 0.35–0.45% and molybdenum grades in the range of 150–200 ppm can be attained (200 ppm Mo is conservatively equivalent to 0.20% Cu at today's prices). Marengo is also confident that it can define substantial tonnes within this body of mineralisation at higher grades, approaching 1% copper equivalent.

Marengo intends to commence an aggressive and systematic drill campaign in 2006. Activities for the remainder of this calendar year will involve the digitisation of historical information, 3D modelling and visualisation of the Cu-Mo porphyry system, followed by a limited diamond drilling program (due diligence holes plus key target holes).

Yandera Cu-Mo Porphyry Project

The Yandera Project is located 95km southwest of the coastal town of Madang, Papua New Guinea. It consists of one granted Exploration Licence (EL1335) covering 1163 km².

41 of the 102 diamond holes outlined with varying degrees of confidence, three coherent mineralised zones with average copper grades better than 0.35% Cu. These better drilled prospects are known as Gremi, Omora and Imbruminda.

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In 1976 a mining study was completed over these three prospects and an indicated and inferred resource calculated. Pit outlines were chosen subjectively to include the maximum amount of higher grade mineralisation but to reduce the waste to a minimum a pit slope angle of 45° was assumed in the absence of engineering data. The pits were divided into 15m benches and 50m x 50m blocks on each bench. Mineralisation zone boundaries were drawn on each bench by geologists. The block grade was based on computer calculation of copper and molybdenum grade of drill holes adjacent to, and intersecting such blocks.

The Gremi zone is the most closely drilled with 16 holes, and geological confidence in the quantity and grade is highest. Copper grade is estimated at 0.43% Cu with modest molybdenum and gold credits. The Omora zone has been tested by 14 holes and has slightly higher copper grades and significant molybdenum credits (>300 ppm). The Imbruminda zone is less well drilled with 11 holes and the possible range of quantity and grade is greater.

A significant feature of the Gremi and Omora zones is that they outcrop and stripping ratios would be low. The mineralisation at Imbruminda is deeper and as a consequence stripping ratios would be higher.

It should be noted that the above information is sourced from a variety of reports prepared in the late 1970's by BHP Minerals Limited and Triako Mines NL. The mineral inventory prepared by these companies would not meet current JORC standards and as such the above target quantity and grade must not be misconstrued as an estimate of Mineral Resource.

The potential quantity and grade of the Yandera Cu-Mo porphyry is conceptual in nature and to date there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource, as set out in the JORC code.

The information in this report 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 2004 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.

For further information on Marengo's projects please refer to our website at:

www.marengominig.com

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