



MARENGO
MINING LIMITED

ACTIVITIES UPDATE – 17 November, 2005

Diversified metals group Marengo Mining Limited (ASX code: MGO) has established a strong position in Papua New Guinea (PNG) with a portfolio of high-quality copper, molybdenum and gold projects.

Marengo is fully funded, with cash reserves of A\$7.2 million following a recently completed placement, and, with an issued capital of 62 million shares, represents an excellent leveraged opportunity for these commodities in a country with a demonstrated capacity to host world-class mineral deposits.

RECENT HIGHLIGHTS

- 🕒 *A\$6 million placement completed, boosting Marengo's cash position to A\$7.2 million.*
- 🕒 *Digitisation of historical data for the Yandera Project now completed, with 3D modelling underway to enable drill targeting for the 2006 field season.*
- 🕒 *Appointment of experienced geologist, Peter Dendle, as Project Manager for Yandera.*
- 🕒 *Bolubolu exploration licence in PNG granted, with field work to commence early in the 2006 field season.*

A\$6M Placement Completed

Marengo recently completed an issue of 24,000,000 shares at A\$0.25 to professional investors and Australian, British, and Papua New Guinea based institutions (including RAB Special Situations Fund (UK) and National Superannuation Fund Limited of PNG).

With this A\$6 million raising finalised, Marengo is fully funded for an aggressive exploration and development program in PNG with cash reserves of A\$7.2 million, representing a cash backing of some 11.5 cents per share.

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

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



These funds will principally be utilised to complete a substantial diamond drilling program, designed to produce a JORC compliant copper-molybdenum-gold resource at Marengo's flagship Yandera Project in PNG during 2006.

In addition, over the next 12 months Marengo will carry out regional exploration programs for gold and other metals on its PNG projects.

Achievements in PNG in 2005

Marengo completed its first review of the mineral potential of PNG in January 2005 and, in recognition of that country's potential, made a decision to focus its future activities there.

In April 2005, Marengo entered into an agreement with a privately owned PNG company (Belvedere Limited) to earn an initial 50% interest (with rights to increase to 90%) in the Yandera copper-molybdenum project, located in Madang Province.

One of the key attractions of Yandera is the existence of a substantial copper-gold-molybdenum resource (currently non-JORC compliant) generated by previous explorers, with the potential to grow rapidly into a world-class deposit.

The Yandera deposit has also benefited from more than US\$20 million of historical exploration expenditure by major groups including Kennecott and BHP Minerals. 102 diamond drill holes have been completed at the deposit, for some 32,000 metres of drilling.

Following its entry into the Yandera project, Marengo acquired all of the historical data, from various sources, and engaged the PNG arm of Australian company Terra Search Pty Ltd to digitise the entire database (particularly the diamond drilling). This will enable 3D modelling and visualisation of the Yandera mineralised porphyry to be undertaken for the first time in the project's history.

Digitisation has now been completed on schedule and it is expected that the first 3D modelling will be generated in the coming weeks, enabling detailed targeting and drill planning to commence for the 2006 field season.

In addition, during 2005 Marengo applied for an exploration licence over the Bolubolu Project, located on PNG's Goodenough Island, where previous exploration in the 1980's identified gold mineralisation (including trench results of 6 metres @ 12g/t gold), which was never tested any further.

The Bolubolu exploration licence has now been granted and field work will commence during the 2006 field season.

Marengo has also recently appointed Mr Peter Dendle as Project Manager for the Yandera Project. Peter is a geologist with more than 30 years experience in Africa, North America, Europe, South East Asia and Australia. During this time he has been involved in projects at all stages of development, in at times, logistically difficult areas.

PNG Targets for 2006

At Yandera, the key objective for the company in 2006 is to move the Gremi and Omora copper-molybdenum deposits to JORC compliant resource status through a focused and sustained drill campaign. In excess of 5000 m of diamond drilling is planned. Logistics and camp set-up will commence early in the new year and drilling is anticipated to start in early March 2006.

In addition to this work, the company will drill a number of targets which it believes will locate higher grade shoots, from within the mineralised envelope. The selection of these targets will be defined by the 3D modeling and visualisation of historical information.

The company also intends to continue its regional exploration in an effort to evaluate known prospects and discover new centers of mineralisation.

Australian Projects

Following Marengo's decision to focus on PNG, activity on its various Australian projects has been reduced, with a number of projects being relinquished and discussions held regarding the possible joint venture or divestment of others.

A recent program of reverse circulation drilling at the Bowgan Project in the Northern Territory failed to indicate any visible alteration or mineralization, and the future of this project is currently being assessed.

Assay results now to hand have confirmed the fact that no anomalous precious metal or uranium values were encountered.

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For further information please contact:

Les Emery
Marengo Mining Limited
Ph: +61 8 9429 0000
Mob: 0407 190 860
Email lese@marengomining.com

WWW.MARENGOMINING.COM