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**ASX Release**

**MARENGO TO MOVE TO 100% OWNERSHIP OF YANDERA  
COPPER-MOLYBDENUM PROJECT IN PAPUA NEW GUINEA**

Marengo Mining Limited (**ASX Code: MGO**) has reached agreement to acquire its joint venture partner, thus moving to a 100% interest in the Yandera Copper-Molybdenum Project in the Madang Province of Papua New Guinea ("PNG").

Marengo, through its wholly owned subsidiary Marengo Mining (PNG) Limited, will acquire all of the issued capital of Belvedere Limited, a private PNG company, with its sole assets comprising its interest in the Yandera Project.

The consideration for this transaction, payable to Belvedere shareholders, will be:

- a) cash payment of A\$3 million,
- b) the issue of 12,000,000 fully paid shares in Marengo Mining Limited, and
- c) the issue of 6,000,000 listed options to acquire fully paid shares in Marengo Mining Limited, exercisable at 20 cents on or before 28 February 2008.

The purchase will be subject to the execution of a formal share sale and purchase agreement, which will contain the following conditions precedent;

- a) approval of the PNG Investment Promotion Authority for the re-certification of Belvedere as a foreign owned enterprise,
- b) the renewal of Exploration Licence 1335 (Yandera),
- c) the approval of the shareholders of Marengo Mining Limited, and
- d) any other required statutory approvals.

The move to 100% ownership of Yandera is very positive for the project and reflects the view that the best way for the project to move forward is under the control of a single entity. The directors and shareholders of Belvedere have confirmed their complete support for the project and will continue to provide advice and assistance to Marengo, wherever required, as well as maintain an active involvement in the project through Marengo.

Currently Marengo has the right to earn a 50% interest in the Yandera Project by spending \$0.5 million by April 2007, with the right to increase that interest to 90% by sole funding a Bankable Feasibility Study should Belvedere elect not to contribute.

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Work at Yandera has continued in preparation for an aggressive program of infill diamond drilling, scheduled to commence by the end of March 2006. This work will add to the existing database of some 33,000 metres of drilling and will be used in the calculation of a JORC resource later this year.

Marengo is well positioned to undertake this work, with some A\$6.7 million in cash reserves and 62,000,000 fully paid shares on issue.

Marengo is pleased to join many existing Australian and international companies who successfully operate both exploration and mining projects in PNG, a trend which is seen gaining momentum over recent months.

A meeting of shareholders will be called in due course, following finalisation of the documentation. None of the vendors are related parties of the Company.

**For further information on Marengo Mining Limited please visit our website at [www.marengominig.com](http://www.marengominig.com) or contact:**

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