



MARENGO
MINING LIMITED

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**CHAIRMAN'S ADDRESS & MANAGING DIRECTOR'S REVIEW OF
ACTIVITIES TO ANNUAL GENERAL MEETING
10 NOVEMBER 2011**

Chairman's Address

Ladies and Gentlemen

It is always pleasing to address shareholders at an Annual General Meeting after yet another year of considerable progress and achievement by the company.

Marengo Mining Limited has certainly maintained the momentum of last year at both operational and corporate levels, against a backdrop of global economic uncertainty, stockmarket volatility and fluctuating commodity prices.

There have been several key factors enabling Marengo to consolidate and build further on its position. They include our strategic alliance with a major Chinese engineering and construction group; the continuing confidence and support of our international investors; the continuing progress on our flagship Yandera Project; the careful maintenance and building of good relationships with all levels of government in Papua New Guinea, as well as with the people of the local communities in which we operate; and the wealth of talent, drive and commitment of all who are working to establish a sound future for the company.

The alliance with China Nonferrous Metal Industry's Foreign Engineering and Construction Co. Ltd. (NFC), one of China's largest manufacturing and engineering groups, is a key component in our drive to bring to successful completion the Yandera Project Definitive Feasibility Study, which is itself a major undertaking.

This important alliance will result in NFC becoming the principal contractor for the construction of the Yandera Project under an Engineering, Procurement and Construction Contract, as well as facilitating financing of at least 70% of the project development costs with Chinese banks. Our standing in the financial markets continues to be bolstered by the confidence and support of our major backers both here in Australia and in North America, who have continued to consolidate their holdings in our most recent capital raising.

The progress and importance of the Yandera Project have been recognised by the Papua New Guinea Government as another significant development of the long-term



resource base of PNG. This recognition is evidenced in the PNG Government's recent entering into the Yandera Project Investment and Co-operation Agreement through the State owned company Petromin, which will lead indirectly to the Government acquiring a 30% stake in the Yandera Project.

We place a high priority on our responsibility to be good corporate citizens in PNG, and on paying careful attention to the interests and wellbeing of the local communities whom we are happy to support in many different and significant ways. We are proud that we continue to be welcomed by the communities, and that we enjoy productive, friendly and cooperative relationships with them.

We are building up our staff with specific appointments to meet our growing needs, and we are most fortunate in the quality of the people whom we have been able to attract to work with us at Marengo. This applies right across the spectrum of our workforce, with so many people who are genuinely interested in the future success of the company, and who are contributing positively to build that success.

A more detailed outline of the above is included in Managing Director Les Emery's address, which will follow.

On a broader front, we note the investment community's attention to the emergence of China as a major player on the world political and economic stage. From a commodities perspective, barely a day goes past without some reference to China's current and likely future position on metals consumption, and its impact on prices.

We at Marengo take a long-term view of China's predicted demand for copper, and of the price of the red metal itself. China is an important market for us. Our immediate imperative is to develop the Yandera Project to production stage so that Marengo can take advantage of market opportunities both in the near term, and for the long-term life of the project.

Marengo's Board of Directors is sharpening its focus to deal with the challenges that will lie ahead. I believe we have an extraordinarily capable board with directors from Australia, Canada, Papua New Guinea and Germany, who are fully committed to the development of what is one of the largest undeveloped copper porphyries in the Asia Pacific region.

I thank my fellow directors for their support and encouragement, and for their wise counsel.

I thank Les Emery for his management and leadership, and I also thank our entire management team, our staff and employees, contractors and consultants, in Papua New Guinea, Australia and elsewhere, for the part each member of the Marengo family has played in bringing the company to where it now is. Everyone is important at Marengo.

I thank the shareholders attending today's meeting, and those who are unable to attend, for their continuing support. I assure you all that we will continue to apply all our energies to achieve success for Marengo and for all its stakeholders.

John Horan
Chairman
10 November 2011

Managing Director's Review of Activities

Ladies and Gentlemen,

I am pleased to provide a summary of the past year's achievements of Marengo Mining Limited, in particular, those relating to the Yandera project.

The past financial year saw the Company again focus all of its attention on the Yandera Project, principally on the Definitive Feasibility Study ("DFS").

Funding for this major undertaking continued to be sourced from equity issues to existing and new investors, and the decision to list on the Toronto Stock Exchange in 2008 was again vindicated, as North American investors strongly supported these fundraisings.

An aggressive drilling campaign continued at Yandera, with at times eight drill rigs operating on the site. Tasks undertaken included further in-fill drilling, infrastructure sterilization drilling and geotechnical drilling. A very creditable 34,790 metres were completed during this phase.

A revised Resource Estimate was completed in February of this year, with particular emphasis on moving the resource categories to higher classifications, to aid in mine planning. It is expected that a further revised resource estimate will be completed and released prior to the end of 2011.

The strong bond with one of China's largest manufacturing and engineering groups, in China Nonferrous Metal Industry's Foreign Engineering and Construction Co Ltd ("NFC") continued during the year and has been enhanced since the end of last financial year with their added involvement in the process plant design and metallurgical testwork program. With the assistance of NFC the project capital costs will be reviewed on the basis of NFC supplying equipment and construction services to the Yandera Project under a fixed price contract, for the total project development.

The previously executed Memorandum of Understanding with NFC, is designed to not only secure a fixed price construction contract, but also a substantial amount of Chinese bank funding. The structure of the arrangements with NFC will see Marengo continue to retain a controlling interest in the project, whilst securing supply, construction and financing from major Chinese banks.

Since the end of the year, Marengo has also entered into the Yandera Project Investment and Co-operation Agreement ("the Agreement") with Petromin PNG Holdings Limited and its wholly owned subsidiary, Eda Kopa (Yandera) Limited ("Petromin").

As previously announced, Petromin has been nominated by the Government of Papua New Guinea to take up the State's interest in the Yandera Project.

Petromin is a resource and investment company established by the PNG Government to hold the Government's interest in, and invest in the development of mining, oil and gas projects in PNG.

The Agreement establishes the process by which a Mining Equity Agreement ("MEA") will be developed by the parties to enable Petromin to acquire a 30% contributing interest in the Yandera Project, once the DFS has been completed and the Mining Development Contract is entered into with the State. At the time of entering into the

MEA, Petromin will be required to reimburse Marengo's sunk costs on the project, in proportion to Petromin's participating interest.

Activities on the DFS continue apace and target its completion as soon as practicable in 2012. An undertaking of this magnitude should never be underestimated and as the decisions to be made over the next year will have a major effect on both the Yandera Project and Marengo for many years to come, they need to be made with as much information as possible.

With all of these activities underway, Marengo continues to engage a large workforce, which includes staff, consultants and casual labour. All of these people continue to provide Marengo with the highest level of effort and enthusiasm for the task at hand.

Marengo is also continuing its efforts to demonstrate the further potential of the Yandera geological belt and activities have moved further afield to explore what is considered to be a highly prospective region.

The Company continues to work closely with the communities in and around Yandera and continues to be sensitive to their needs. Continuous consultation with all stakeholders is the key to any successful activity and Marengo believes that the effort put into this area is well justified.

Marengo is committed to providing a safe and healthy workplace and continues to take steps to ensure that this is practiced at all levels within the Company. As the Company's activities expand, so do our efforts to ensure that safety is a primary consideration. The extension of medical services by Marengo to local communities is another area where our presence continues to make a big difference.

The Company is fortunate in having such a prestige project, very supportive investors and strategic partners. These are complemented by the Marengo team and in particular the skills and dedication of the staff and management. It is imperative that shareholders continue to support them by supporting the various initiatives to retain their focus and loyalty. Failure to do so will be to the detriment of the Company.

Finally I would like to thank our Chairman, John Horan and our fellow directors for their ongoing commitment and support, our staff and consultants for their considerable efforts and to the people of the Yandera region for continuing to welcome Marengo with warmth, and enthusiasm.

Thank you
Les Emery
Perth, Western Australia
10 November 2011

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