



MARENGO MINING LIMITED

ABN 57 099 496 474

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THREE AND NINE MONTH PERIODS ENDED
31 MARCH 2010**

This unaudited interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2009 and any public announcements made by Marengo Mining Limited during the interim reporting periods in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

MARENGO MINING LIMITED
31 MARCH 2010 INTERIM FINANCIAL REPORT

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All amounts are expressed in Australian Dollars unless otherwise stated.

MARENGO MINING LIMITED
31 MARCH 2010 INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTH PERIODS ENDED 31 MARCH 2010

	Three Month Period Ended		Nine Month Period Ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	\$	\$	\$	\$
REVENUE FROM CONTINUING OPERATIONS	21,938	55,792	101,274	1,376,113
EXPENDITURE				
Depreciation expense	(54,947)	(57,271)	(160,504)	(144,877)
Salaries and employee benefits expense	(348,112)	(810,219)	(954,145)	(1,367,784)
Exploration expenditure	(2,628,793)	(2,254,410)	(8,066,010)	(10,396,465)
Corporate expenditure	(224,091)	(75,566)	(751,139)	(697,388)
Occupancy expenditure	(79,815)	(90,680)	(236,725)	(245,392)
Insurance expenditure	(47,667)	(55,776)	(143,448)	(169,987)
Administration and other expenditure	(118,119)	(42,515)	(1,145,909)	(1,040,925)
Share based payment expense	(53,783)	(10,065)	(187,741)	(226,058)
LOSS BEFORE INCOME TAX	(3,533,389)	(3,340,710)	(11,544,347)	(12,912,763)
Income tax benefit / (expense)	-	-	-	-
NET LOSS FOR THE PERIOD	(3,533,389)	(3,340,710)	(11,544,347)	(12,912,763)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD				
Exchange differences on translation of foreign operations	(1,813,806)	128,086	(3,606,577)	5,512,973
Other comprehensive (loss)/income for the period, net of tax	(1,813,806)	128,086	(3,606,577)	5,512,973
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF MARENGO MINING LIMITED	(5,347,195)	(3,212,624)	(15,150,924)	(7,399,790)
Basic and diluted loss per share (cents)	(0.7)	(1.2)	(2.6)	(4.8)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	31 March	30 June
	2010	2009
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	12,352,849	5,088,081
Trade and other receivables	369,494	479,986
TOTAL CURRENT ASSETS	12,722,343	5,568,067
NON CURRENT ASSETS		
Other financial assets	457,434	425,657
Plant and equipment	758,535	734,491
Mining properties	14,341,069	15,598,014
TOTAL NON CURRENT ASSETS	15,557,038	16,758,162
TOTAL ASSETS	28,279,381	22,326,229
CURRENT LIABILITIES		
Trade and other payables	1,873,336	918,643
Provisions	390,624	485,586
TOTAL CURRENT LIABILITIES	2,263,960	1,404,229
TOTAL LIABILITIES	2,263,960	1,404,229
NET ASSETS	26,015,421	20,922,000
EQUITY		
Contributed Equity	78,149,192	58,511,763
Reserves	2,079,796	5,079,457
Accumulated losses	(54,213,567)	(42,669,220)
TOTAL EQUITY	26,015,421	20,922,000

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2010

	Issued Capital Ordinary \$	Options Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2008	58,540,993	1,121,451	(275,710)	(27,399,177)	31,987,557
Loss for the period	-	-	-	(12,912,763)	(12,912,763)
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	-	-	5,512,973	-	5,512,973
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	-	-	5,512,973	(12,912,763)	(7,399,790)
Employees and consultants share options	-	226,058	-	-	226,058
BALANCE AT 31 MARCH 2009	58,540,993	1,347,509	5,237,263	(40,311,940)	24,813,825
BALANCE AT 1 JULY 2009	58,511,763	1,479,520	3,599,937	(42,669,220)	20,922,000
Loss for the period	-	-	-	(11,544,347)	(11,544,347)
OTHER COMPREHENSIVE LOSS					
Exchange differences on translation of foreign operations	-	-	(3,606,577)	-	(3,606,577)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	-	-	(3,606,577)	(11,544,347)	(15,150,924)
Shares issued during the period	22,013,760	-	-	-	22,013,760
Share issue transaction costs	(2,376,331)	-	-	-	(2,376,331)
Employees and consultants share options	-	606,916	-	-	606,916
BALANCE AT 31 MARCH 2010	78,149,192	2,086,436	(6,640)	(54,213,567)	26,015,421

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

MARENGO MINING LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE AND NINE MONTH PERIODS ENDED 31 MARCH 2010

	Three Month Period Ended		Nine Month Period Ended	
	31 March 2010 \$	31 March 2009 \$	31 March 2010 \$	31 March 2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
(Losses)/gains on foreign exchange	(9,629)	-	(7,029)	201,303
Payments to suppliers and employees	(1,170,339)	(1,330,199)	(3,061,297)	(3,605,447)
Interest received	13,989	228,045	67,077	761,081
Expenditure on mining interests	(2,025,734)	(1,244,243)	(7,809,963)	(8,568,519)
Net cash (used in) operating activities	(3,191,713)	(2,346,397)	(10,811,212)	(11,211,582)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for DFS expenses	(1,029,234)	(1,024,727)	(1,596,563)	(3,998,728)
Proceeds on sale of plant and equipment	-	-	14,683	-
Payments for plant and equipment	(146,581)	(82,929)	(257,653)	(248,298)
Net cash (used in) investing activities	(1,175,815)	(1,107,656)	(1,839,533)	(4,247,026)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issue	-	-	22,013,760	-
Payment of share issue costs	(131,641)	-	(1,986,386)	-
Net cash provided by/(used in) financing activities	(131,641)	-	20,027,374	-
Net (decrease)/increase in cash and cash equivalents	(4,499,169)	(3,454,053)	7,376,629	(15,458,608)
Cash and cash equivalents at the beginning of the period	16,898,257	11,302,932	5,088,081	23,352,570
Effects of exchange rate changes on cash and cash equivalents	(46,239)	171,193	(111,861)	126,110
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12,352,849	8,020,072	12,352,849	8,020,072

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

MARENGO MINING LIMITED
31 MARCH 2010 INTERIM FINANCIAL REPORT

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

This general purpose consolidated interim financial report for the three and nine month periods ended 31 March 2010 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Marengo Mining Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Accounting Standards not previously applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- The replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- The adoption of the single statement approach to the presentation of the statement of comprehensive income;
- Other financial statements are renamed in accordance with the Standard; and
- Presentation of a third statement of financial position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position. In this regard, such information is provided using different measures to those used in preparing the statement of comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

MARENGO MINING LIMITED
31 MARCH 2010 INTERIM FINANCIAL REPORT

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT (continued)

Business Combinations and Consolidation Procedures

Revised AASB 3 is applicable prospectively from 1 July 2009. Changes introduced by this Standard, or as a consequence of amendments to other Standards relating to business combinations which are expected to affect the Group, include the following:

- All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method which prohibits the recognition of contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability. Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on consolidation. Changes in the fair value of contingent consideration payable are not regarded as measurement period adjustments and are recognised through profit or loss unless the change relates to circumstances which existed at acquisition date.
- Unrecognised deferred tax assets of the acquiree may be subsequently realised within 12 months of acquisition date on the basis of facts and circumstances existing at acquisition date with a consequential reduction in goodwill. All other deferred tax assets subsequently recognised are accounted for through profit or loss.
- The proportionate interest in losses attributable to non-controlling interests is assigned to non-controlling interests irrespective of whether this results in a deficit balance. Previously, losses causing a deficit to non-controlling interests were allocated to the parent entity.
- If the Group holds less than 100% of the equity interests in an acquiree and the business combination results in goodwill being recognised, the Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group elects which method to adopt for each acquisition.
- Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

MARENGO MINING LIMITED
31 MARCH 2010 INTERIM FINANCIAL REPORT

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION

(a) Description of segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position. The Group operates only in the exploration industry, both in Australia and overseas.

(b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the three and nine month periods ended 31 March 2010 is as follows:

	Australia		Papua New Guinea		Total	
	Three Months Ended		Three Months Ended		Three Months Ended	
	31 March		31 March		31 March	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Segment revenue						
Total segment revenue	21,938	55,792	-	-	21,938	55,792
Intersegment elimination					-	-
Consolidated revenue					21,938	55,792
Segment result						
Segment result	(4,668,861)	(3,213,289)	(2,603,206)	(2,355,956)	(7,272,067)	(5,569,245)
Intersegment elimination					3,738,678	2,228,535
Loss before income tax					(3,533,389)	(3,340,710)

MARENGO MINING LIMITED
31 MARCH 2010 INTERIM FINANCIAL REPORT

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION (continued)

	Australia		Papua New Guinea		Total	
	Nine Months Ended 31 March		Nine Months Ended 31 March		Nine Months Ended 31 March	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Segment revenue						
Total segment revenue	101,274	1,376,113	-	-	101,274	1,376,113
Intersegment elimination					-	-
Consolidated revenue					101,274	1,376,113
Segment result						
Segment result	(13,663,260)	(7,400,457)	(8,109,795)	(10,696,525)	(21,773,055)	(18,096,982)
Intersegment elimination					10,228,708	5,184,219
Loss before income tax					(11,544,347)	(12,912,763)
	Australia		Papua New Guinea		Total	
	31 March 2010	30 June 2009	31 March 2010	30 June 2009	31 March 2010	30 June 2009
	\$	\$	\$	\$	\$	\$
Segment assets and liabilities						
Segment assets	12,436,638	5,413,465	15,842,744	16,912,765	28,279,382	22,326,230
Intersegment elimination					(1)	(1)
Total assets					28,279,381	22,326,229
Segment liabilities	1,561,897	1,119,810	56,957,909	46,311,556	58,519,806	47,431,366
Intersegment elimination					(56,255,846)	(46,027,137)
Total liabilities					2,263,960	1,404,229

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 3: CHANGES IN EQUITY SECURITIES ON ISSUE

	Nine Months Ended		Nine Months Ended	
	31 March 2010	31 March 2010	31 March 2009	31 March 2009
	Shares	\$	Shares	\$
Issues of ordinary shares during the period				
Issued on exercise of C19 cent options	841,341	168,269	-	-
Issued for cash @ C8.6 cents per share	172,500,000	16,387,499	-	-
Issued for cash @ 9.5 cents per share	57,452,546	5,457,992	-	-
Transaction costs	-	(2,376,331)	-	-
	230,793,887	19,637,429	-	-

	Number of options	
	31 March 2010	31 March 2009
Movements of options during the period		
Issued, exercisable at C8.6 cents, on or before 31 August 2011	8,625,000	-
Issued, exercisable at 25 cents, on or before 30 November 2014	475,000	-
Issued, exercisable at 25 cents, on or before 22 March 2015 ⁽¹⁾	150,000	-
Issued, exercisable at 25 cents, on or before 31 March 2015 ⁽²⁾	650,000	-
Converted, exercisable at C19 cents, on or before 31 December 2009	(841,341)	-
Expired, exercisable at C19 cents, on or before 31 December 2009	(360,574)	-
Expired, exercisable at 20 cents, on 31 December 2009	(170,000)	-
Cancelled, exercisable at 25 cents, on or before 18 December 2013	(500,000)	-
Cancelled, exercisable at 25 cents, on or before 31 March 2014	(25,000)	-
Cancelled, exercisable at 25 cents, on or before 30 November 2014	(25,000)	-
Issued, exercisable at 50 cents, on or before 15 August 2013	-	5,750,000
Issued, exercisable at 25 cents, on or before 18 December 2013	-	2,300,000
Issued, exercisable at 25 cents, on or before 31 March 2014 ⁽³⁾	-	550,000
Expired, exercisable at 20 cents, on 30 November 2008	-	(1,566,666)
Expired, exercisable at 25 cents, on 30 November 2008	-	(3,066,666)
Expired, exercisable at 30 cents, on 30 November 2008	-	(2,166,668)
Expired, exercisable at 40 cents, on 30 November 2008	-	(4,000,000)
Expired, exercisable at 36 cents, on 15 February 2009	-	(993,055)
Net movement	7,978,085	(3,193,055)

- (1) These options were offered to, and accepted by, employees in March 2010, and have been valued and included in the financial statements. These options were not allotted until 1 April 2010.
- (2) These options were offered to, and accepted by, a contractor in March 2010, and have been valued and included in the financial statements. These options were not allotted until 16 April 2010.
- (3) These options were offered to, and accepted by, employees in February 2009, and have been valued and included in the financial statements. These options were not allotted until 15 April 2009.

MARENGO MINING LIMITED
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 4: CONTINGENCIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE

During April 2010 the Company announced its intention to undertake a capital raising in Canada. Subject to the requisite shareholder approvals at a general meeting to be held on 31 May 2010, the Company anticipates raising C\$25 million from the issue of 287,500,000 ordinary shares.

No other matter or circumstance has arisen since 31 March 2010 which has significantly affected, or may significantly affect, the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent reporting periods.

NOTE 6: SHARE BASED PAYMENTS

(a) Recognised share based payment expenses

	Three Month Period Ended		Nine Month Period Ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	\$	\$	\$	\$
Options issued to Suppliers, Directors and employees as part of:				
Share-based payment expense	53,783	10,065	187,741	226,058
Share issue transaction costs	-	-	419,175	-
Expense arising from equity-settled share based payment transactions	53,783	10,065	606,916	226,058

(b) Employee Share Option Plan

On 31 July 2008, shareholders adopted the Marengo Mining Employee Share Option Plan ("Plan"). The Plan entitles key management personnel and employees to purchase shares in the Company.

The exercise price and expiry date of options issued under the Plan are set at the discretion of the Board.

As at 31 March 2010 2,925,000 options have been issued to Eligible Employees.

(c) Directors Options

On 31 July 2008, shareholders approved the granting of 5,750,000 options to the Directors with an exercise price of 50 cents and an expiry date of 15 August 2013.

The options will vest in five tranches. One fifth of the options will vest immediately on granting, one fifth will vest one year after granting, one fifth will vest two years after granting, one fifth will vest three years after granting and one fifth of the options will vest four years after granting. Apart from the vesting date, all other terms of the options are identical. The exercise price is at the discretion of the Board.

As at 31 March 2010 5,750,000 options have been issued to the Directors.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 6: SHARE BASED PAYMENTS (continued)

(d) Supplier Options

On 31 August 2009, the Company granted 8,625,000 options to suppliers as part consideration for capital raising fees with an exercise price of C8.6 cents and an expiry date of 31 August 2011. The options vested immediately. On 25 March 2010 the Company granted 650,000 options to a supplier as part consideration for consulting fees with an exercise price of 25 cents and expiry date of 31 March 2015. The options will vest in four tranches. The first tranche of 200,000 options vested immediately. The remaining three tranches are each of 150,000 options and twelve months apart beginning on the first anniversary of the original grant date.

As at 31 March 2010 9,275,000 options have been issued to suppliers.

(e) Summary of Options Granted to Suppliers, Directors and under the Plan

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the nine months to 31 March 2010.

	2010	2010	2009	2009
	No.	WAEP	No.	WAEP
Outstanding at the start of the period	10,301,915	\$0.38	13,494,970	\$0.30
Granted during the period	9,900,000	\$0.11	8,050,000	\$0.43
Exercised/expired/cancelled during the period	(1,921,915)	\$0.21	(11,793,055)	\$0.31
Outstanding at the end of the period	18,280,000	\$0.26	9,751,915	\$0.42

(f) Weighted average remaining contractual life

The weighted average remaining contractual life of the share options outstanding as at 31 March 2010 is 2.6 years (2009: 4.5 years).

(g) Range of exercise prices

The range of exercise prices for options outstanding at 31 March 2010 is C8.6 cents to 50 cents.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 6: SHARE BASED PAYMENTS (continued)

(h) Option pricing model

The fair value of the equity settled share options granted under the Plan, to the Directors and suppliers is estimated as at the date of grant using the Black-Scholes European Option Pricing Model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the nine month periods to 31 March 2010 and 31 March 2009.

	Nine Month Period Ended	
	31 March 2010	31 March 2009
Dividend Yield	0%	0%
Expected volatility	75%	75% - 90%
Risk free interest rate	4.54% - 5.51%	3.685% - 6.5%
Expected life (years)	2 – 5	5
Option exercise price (cents)	C8.6 – 25	25 – 50
Share price at grant date (cents)	10.5 – 16	5.5 – 21.5

The expected life of the options is fixed at the time of issue and is not necessarily indicative of when they may be exercised. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

NOTE 7: RELATED PARTY TRANSACTIONS

During January 2010 the Company sold a motor vehicle to Mr Les Emery, Managing Director. The arm's length sale price of \$12,500 was determined by an external valuation, with the value being deducted from Mr Emery's annual leave balance.

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12 May 2010

Board of Directors
Marengo Mining Limited
Level 2
9 Havelock Street
WEST PERTH WA 6005

Dear Sirs

RE: MARENGO MINING LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Marengo Mining Limited.

As Audit Director for the review of the quarterly and nine month interim financial report of Marengo Mining Limited for the quarter and nine month period ended 31 March 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely
STANTONS INTERNATIONAL
(Authorised Audit Company)



John P Van Dieren
Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MARENGO MINING LIMITED

Report on the Quarterly and Nine Month Interim Financial Report

We have reviewed the accompanying quarterly and nine month interim financial report of Marengo Mining Limited, which comprises the condensed statement of financial position as at 31 March 2010, and the condensed statement of comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the quarter and nine month period ended on that date, a condensed statement of accounting policies, other selected explanatory notes and the directors' declaration for Marengo Mining Limited (the consolidated entity). The consolidated entity comprises both Marengo Mining Limited (the company) and the entities it controlled during the period.

Directors' Responsibility for the Quarterly and Nine Month Interim Financial Report

The directors of Marengo Mining Limited (the company) are responsible for the preparation and fair presentation of the quarterly and nine month interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the quarterly and nine month interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the quarterly and nine month interim financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of Interim Financial and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2010 and its performance for the quarter and nine month period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Marengo Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a quarterly and nine month interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence


In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Marengo Mining Limited on 12 May 2010.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the quarterly and nine month interim financial report of Marengo Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2010 and of its performance for the quarter and nine month period ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL
(An Authorised Audit Company)

Stantons International


John P Van Dieren
Director

West Perth, Western Australia
12 May 2010