



**MEDIA RELEASE**

**MONDAY, 20 FEBRUARY 2006**

## **MARENGO TO MOVE TO 100% OWNERSHIP OF YANDERA COPPER-MOLYBDENUM PROJECT IN PNG**

***PREFEASIBILITY STUDY ANTICIPATED TO COMMENCE FOLLOWING PREPARATION OF  
NEW JORC RESOURCE LATER IN 2006***

Diversified, PNG focused metals company, Marengo Mining Limited (**ASX Code: MGO**), announced today it had 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, for a combination of cash and shares.

The consideration for the acquisition will be met by the payment of A\$3 million in cash plus the issue of 12 million ordinary shares and 6 million options in Marengo, to shareholders of Belvedere Limited (a private PNG company) to purchase 100% of the issued capital of Belvedere.

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.

Marengo's Managing Director, Mr Les Emery said the move to 100% ownership of Yandera was very positive for the project.

"The Agreement reflects the view of both Belvedere and Marengo that the best way for the Yandera Project to move forward is under the control of a single entity," Mr Emery said. "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."

"Work at Yandera has continued in preparation for an aggressive program of infill diamond drilling scheduled to commence by the end of March 2006," Mr Emery added. "This 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, forming the basis of a Prefeasibility Study on what is shaping up to be one of the South-West Pacific's largest undeveloped copper-molybdenum porphyry deposits."

The contract to provide drilling services at Yandera during 2006 has been awarded to United Pacific Drilling (UPD) which will provide initially two diamond rigs for a program of up to 10,000 metres centered on the existing Gremi and Omora zones of copper-molybdenum mineralization.

First discovered by Australian Government geologists in 1957, Yandera was explored by Kennecott Exploration Ltd and BHP in the 1960s and 1970s, with over US\$20 million spent on exploration and a number of, non-JORC, resource estimates produced.

**- ENDS -**

**Released by:**  
**Jan Hope / Nicholas Read**  
**Jan Hope & Partners**  
**Telephone: (+61-8) 9388-1474**

**On behalf of:**  
**Les Emery**  
**Managing Director**  
**Marengo Mining Limited**  
**Telephone: (+61-8) 9429 0000**  
**Mobile: 0407 190 860**  
**Email: [lese@marengomining.com](mailto:lese@marengomining.com)**

Level 2, 9 Havelock Street West Perth Western Australia 6005  
PO Box 289 West Perth Western Australia 6872  
Email: [marengo@marengomining.com](mailto:marengo@marengomining.com)

Telephone: +61 8 9429 0000  
Facsimile: +61 8 9429 0099  
Website: [www.marengomining.com](http://www.marengomining.com)

