



MARENGO ACCELERATES 2007 YANDERA PROGRAM

- **Further excellent drilling results including 126m @ 0.54% Cu Eq, 66m @ 0.88% Cu Eq and 51m @ 0.81% Cu Eq.**
 - **2007 drilling program to resume ahead of schedule in late February.**
 - **Resource estimate in preparation to build on initial resource of 371mt @ 0.49% Cu Eq.**
 - **Pre-Feasibility Study well advanced with conceptual flowsheet developed for 20mtpa plant, suitable plant location identified and ore handling strategy in place.**
 - **Copper recoveries of up to 97.91% and molybdenum recoveries of up to 91.38% achieved.**
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Marengo Mining Limited (ASX Code: MGO, POMSoX: MGO) has announced plans to fast-track the 2007 work program at its 100%-owned **Yandera Copper-Molybdenum Project** in Papua New Guinea following a highly successful December Quarter which saw the Company complete a major \$12.3 million capital raising, commence a Pre-Feasibility Study on the Project and conclude a comprehensive diamond drilling program.

The Perth-based international metals company said today (**Wednesday**) that two diamond drill rigs and helicopter support services were in place with drilling scheduled to recommence ahead of schedule before the end of February, in parallel with the ongoing Yandera Pre-Feasibility Study.

The 2007 program will build further on the successful 2006 resource drilling program, which saw the completion of 19 holes (7,030m) focusing on the main Omora and Imbruminda zones within the Yandera Central Porphyry system, in-filling holes drilled by BHP and Kennecott in the 1970s.

Final results from the Phase 1 2006 program have now been received, with additional results announced today continuing to return broad zones of mineralisation. These included **51 metres at 0.81% copper equivalent, 126 metres at 0.54% copper equivalent, 42 metres @ 1.15% copper equivalent** and **66 metres @ 0.88% copper equivalent**.

Marengo's Managing Director, Mr Les Emery, said work was already well underway on incorporating the new assay and geological data into the preparation of a revised resource estimate for Yandera, building on the initial resource of 371 million tonnes at 0.49% copper announced in October last year.

"We have already established a substantial inventory of copper and molybdenum metal, with the initial resource covering the central portion of the project totalling over 4 billion pounds of contained copper metal equivalent," Mr Emery said. "The 2006 drilling program has confirmed that Yandera is a potentially world-class porphyry copper-molybdenum system."

"We have now commenced the process of converting the existing 'mineral inventory' – which has tonnages similar to the current inferred resource – to resource status," he added. "We are aiming to complete the revised resource estimate during the March quarter of this year."

The Yandera Pre-Feasibility Study is already well advanced, with a conceptual treatment flowsheet developed during the December Quarter, together with metallurgical test work and the identification of a suitable plant location and ore handling strategy.

Mr Emery said that, given the characteristics of the Yandera ore, a conventional crushing and grinding circuit with a sulphide flotation circuit for the production of copper and molybdenum concentrates had been established as optimum flow sheet, with a throughput of 20mtpa established for the base case.

Excellent copper recoveries of **up to 97.91%** and molybdenum recoveries of **up to 91.38%** were obtained from samples of material from the hypogene (sulphide) zone, representing greatly improved recoveries on those completed for BHP during the 1970s.

As part of the Pre-Feasibility Study, the Company also made significant advances on identifying an optimal plant location and ore handling strategy.

“Work to date has indicated that it is most feasible to locate the process plant near the coast, in the Madang region, and to utilise deep sea tailings placement – which is used by other PNG operations such as Lihir Gold and has recently been permitted to the nearby Ramu Nickel Project,” Mr Emery commented. “Ramu will also base its processing facility on the coast near Madang.”

“The concept is to move crushed ore from the Yandera Mine area to the Ramu Valley by way of a conveyor system and to then load crushed ore on a purpose-built railway, with the ore transported approximately 100km to a suitable coastal plant site,” he added.

In other developments during the Quarter, Marengo has identified new gold targets both at Yandera, where sampling at the Yomi gold prospect (15km north-west of the main project) returned values up to 5g/t Au, and at its Bolubolu Project on Goodenough Island, where highly anomalous gold and silver values up to **27.2g/t Au** and **17g/t Ag** were returned.

On the corporate side, the Company completed a landmark A\$12.3 million share placement, resulting in the introduction of a number of new major institutions including the Sentient Global Resources Fund II, which has become Marengo’s largest shareholder with a 19.86% stake.

Marengo also gained a secondary listing on the Papua New Guinea, Port Moresby Stock Exchange on 10 November, providing PNG investors with an opportunity to trade Marengo securities on a local stock exchange as part of a strategy to build a local shareholder base.

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Released by:
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: marengo@marengominig.com

www.marengominig.com
or
www.irasia.com/listco/marengo