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**For Immediate Distribution
27 July 2011**

**TSX: MRN
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MEDIA RELEASE

**YANDERA COPPER-MOLYBDENUM-GOLD PROJECT,
PNG – DEVELOPMENT UPDATE**

KEY POINTS

- **China Nonferrous (“NFC”) agrees to undertake process plant design for the Yandera Project as part its development and financing MOU with Marengo.**
- **Bulk parcels of drill core being transported to China for metallurgical testwork to be undertaken at one of NFC’s facilities.**
- **Experienced project development executive, Mr Bernard Bent, appointed as Project Director to oversee completion of the Yandera Definitive Feasibility Study.**
- **Discussions continuing with key Chinese banks regarding project funding and with the PNG Government to further its possible participation in the Yandera Project.**
- **Decision made to sole fund and increase regional exploration focus in parallel with Yandera DFS and future development.**

Marengo Mining Limited (TSX: **MRN**, ASX and POMSoX: **MGO**) (“Marengo” or the “Company”) is pleased to provide an update on project development and feasibility activities at its 100%-owned **Yandera Copper-Molybdenum-Gold Project** in Papua New Guinea.

The Yandera Project is one of the Asia Pacific’s largest undeveloped copper resources. Marengo is currently completing a Definitive Feasibility Study (“DFS”) on the Yandera Project, providing the foundation for financing the development of a large scale, long life mining and processing operation.



Ore production is anticipated to commence at 25 Mtpa, with an initial mine life of at least 20 years, entering world markets in 2015.

As part of its Memorandum of Understanding (“MOU”) with the leading Chinese construction and engineering group, China Nonferrous Industry’s Foreign Engineering and Construction Co., Ltd (“NFC”) and Arcon (WA) Pty Ltd (“Arcon”), their Australian engineering partner, these parties have agreed to undertake the next key phase of process plant design work, which forms a key component of the Definitive Feasibility Study (“DFS”).

This work will be undertaken at one of NFC’s Design Institutes in China, which employ some 2,500 engineers, who are focused on the many offshore engineering and construction projects being undertaken by NFC at any one time. Arcon will provide supporting engineering services to NFC.

Marengo is currently in the process of shipping bulk parcels of representative diamond drill core from the Yandera Project to China to enable additional metallurgical testwork to be completed. The results of this work represent a key input to the DFS and to finalising the process flow sheet and plant design.

The latest mine planning is showing the Imbruminda zone will play a much larger part in the early production profile at Yandera and accordingly additional diamond drill core has been obtained from this zone, as part of the current program. Additional drilling at Imbruminda has enhanced the potential of this zone of the Yandera Central deposit to provide significant tonnage, at elevated copper grades.

The decision to award the process design work to NFC/Arcon reflects the continued close cooperation between the two groups on all aspects associated with the completion of the DFS, as well as the financing and construction of the Yandera Project.

The decision has also been made after taking into consideration the ability of Australian consultants who have been involved with the DFS to date, to complete the process design and metallurgical testwork program in a timely fashion. There is currently a significant backlog of work at most major groups in Australia due to the high levels of activity within the resource sector.

In parallel with the award of this design role to NFC/Arcon, Marengo has appointed experienced project development executive Mr Bernard Bent as Project Director to manage completion of the Yandera DFS.

Mr Bent has an outstanding track record of project development spanning a career of some 40 years, during which time he has managed a number of major West Australian mining projects, particularly for the Rio Tinto Group. In his 30 plus years with Rio Tinto he was responsible for most of Hamersley Iron’s major expansion projects, ranging from the initial construction of the Paraburdoo mine to the establishment of the Marandoo and Yandicoogina mines.

He was also the initial General Manager of the Channar Joint Venture, as well as undertaking engineering and construction of this project. This was one of the first Chinese offshore mining joint ventures. In addition, Mr Bent led the feasibility study and construction of the Argyle diamond mine.

Mr Bent also managed feasibility studies on the Tethyan Copper Project in western Pakistan, prior to the takeover of Tethyan Copper Company by Barrick Gold and Antofagasta.

DFS and EPC Contract Update

Various components of the DFS, with the exception of the process design and metallurgical test work, are progressing as planned.

Discussions are progressing between Marengo and NFC with a view to concluding a formal construction agreement (Engineering, Procurement and Construction or EPC Contract) for the Yandera Project.

Under this arrangement, Marengo will appoint NFC as the principal contractor under a turnkey, lump-sum contract and also enter into a formal financing agreement under which NFC will facilitate financing for the Yandera Project for at least 70% of the Project Development Costs, through its nominated Chinese financial institution.

Discussions with leading Chinese banks have commenced and are progressing well, with positive feedback received to date. Marengo is being advised on this process by Standard Bank.

In addition, the Company is continuing to provide update briefings with the PNG Government and other statutory bodies to progress the permitting process for the Yandera Project, which remains the critical path item in terms of the overall project development schedule.

The PNG Government has expressed interest in taking up a contributing interest in the Yandera Project. Any interest acquired would be held by the State owned company, Petromin Limited, which has been nominated by the PNG Government to hold its interest in a number of PNG resource projects, currently in or near feasibility stage.

Subject to completion of final permitting Marengo expects to achieve a timetable of commencing development of the Yandera Project, to achieve first production during 2015.

Other activity underway includes an in-depth comparison of various options for tailings disposal, already considered by the Project. These options include deep sea and land-based tailings disposal. The Company is confident that this work will result in the most favourable environmental option for tailings disposal being selected, and a method that will achieve early permitting.

Marengo Mining's Managing Director, Mr Les Emery, said:

"We are very pleased to have reached agreement with NFC/Arccon to undertake this crucial phase of process design and metallurgical test work at NFC's world-class facilities in China. Given the current backlog facing many facilities in Australia, we are fortunate in being able to access the enormous resources and significant expertise available within a group such as NFC.

While it is now likely that the final DFS document will not be finalised and delivered until next year, we do not believe that this will significantly impact on our overall development timetable for the Project, with the critical path items remaining completion of the EPC pricing and contract, and final permitting by the PNG Government.

Both of these items are progressing well and we are confident of finalising a construction contract with NFC in the early part of next year and achieving final permitting in a timely fashion, that will enable project development to commence, as soon as practicable".

Regional Exploration Boost

Marengo controls a significant land package, covering some 1,900 km², within which lies the Yandera Central copper-molybdenum-gold deposit. This area covers more than 100 kilometres of the Bundi Fault Zone, a major structural feature, which contains a number of identified mineral prospects. However, only the area around the Yandera Central deposit (some 5%) of the total length of this structure corridor within Marengo's concessions has ever been drill tested.

Following approaches by international mining groups to consider regional joint ventures, Marengo has decided to continue with a 100% ownership of this area and sole fund the programs, rather than dilute the Company's interest, in what is viewed to be a major exploration asset of Marengo.

In addition to the current intense in-fill drilling program at the Yandera Central Porphyry deposit, the Company intends to boost its exploration effort for both base metals and gold, within the broader project area. Subject to results, it is anticipated that Marengo will spend up to A\$5M on this program over the next twelve months.

Les Emery
Managing Director/CEO
27 July 2011

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NOTES:

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This news release does not constitute an offer to sell or the solicitation of an offer to buy any ordinary shares within the United States. The ordinary shares have not been offered and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, the ordinary shares may not be sold or offered in the United States, or to any U.S. persons (as such terms are defined in Regulations under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration are granted.

Scientific and technical information in this report including that relating to drilling intercepts and mineralization but excluding the Yandera resource estimate were prepared by Mr Peter Dendle. Mr Dendle is a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Marengo Mining Limited. Mr Dendle has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). Mr Dendle is also a "Qualified Person" as defined by National Instrument 43-1-1 "Standards of Disclosure for Mineral Projects" ("NI 43-101"). Mr Dendle verified the data underlying the information in this report prepared by him.

Mr Dendle consents in writing to the issue of this report, to the extent of matters based on his information in the form and context in which it appears.