



Marengo Mining Limited

September 2008 Quarterly Activities Report

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ASX/POMSoX Share Code: MGO
TSX Share Code: MRN

HIGHLIGHTS

YANDERA COPPER-MOLYBDENUM PROJECT

- 🕒 Upgraded Mineral Resource Estimate (including initial by-product resource estimate) for Yandera Central Porphyry.
- 🕒 Yandera Definitive Feasibility Study continues to make good progress.
- 🕒 First drilling results from Mumnogoi zone provide positive results, with best intercept of 77m @ 0.44% CuEq.
- 🕒 Drilling results from Gremi and Omora zones include:
 - 412 metres @ 0.50% Cu Eq
 - 197 metres @ 0.91% Cu Eq

[CuEq% = Cu% + (Mo% x 10), Au and Ag not included]

CORPORATE

- 🕒 Cash balance at end of quarter of A\$.19.9M(C\$.16.9M).



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MARENGO MINING LTD OVERVIEW

Marengo Mining Limited is an emerging, Australian-based international metals company focused on the development of its 100%-owned Yandera Copper-Molybdenum Project in Papua New Guinea (PNG).

With its headquarters in Perth, Western Australia, Marengo listed on the Australian Stock Exchange on November 13, 2003 and subsequently on Papua New Guinea's POMSx on November 10, 2006. Marengo reinforced its global development strategy with the successful completion of a listing on the Toronto Stock Exchange in April 2008.

In 2007 and 2008, Marengo successfully raised A\$46 million, underpinning the current Definitive Feasibility Study on the Yandera Project, which is scheduled to be completed by mid-2009 comprises an **Indicated Resource of 527 million tonnes (Mt) at 0.38% copper equivalent (CuEq)** and an **Inferred Resource of 766 Mt at 0.33% CuEq**, based on a 0.2% CuEq cut-off. The Company currently has an aggressive program underway with six diamond drill rigs operating on site.



YANDERA PROJECT, MADANG PROVINCE, PNG

(MARENGO MINING LIMITED – 100%)

Definitive Feasibility Study

Following the completion of Phase 1 of the Definitive Feasibility Study (DFS) during the previous quarter, Phase 2 is now well underway and includes metallurgical testwork, resource estimation, and mining engineering studies.

The comminution metallurgical testwork appears to confirm an expected moderate grindability of the Yandera ores. The table below is based on an average from a number of samples from this testwork:

Specific Gravity	UCS	Bon CWi	BBWi	Abrasive Index
2.56 t/cum	45 Mpa	7.2 kWh/t	15 jWht	0.12

These results indicate that the material is of average specific density, of moderate to low competency and has low abrasion potential; suggesting that a more relaxed grind size may be achievable. Flotation test work has commenced and the Company expects that the results will demonstrate rapid recovery of copper.

Sample results and information from recent resource drilling has been entered, to update the resource model. This, together with the metallurgical data and initial project operating cost information, has allowed several open pit designs, mine schedules and layouts to be generated.

A pit was selected that will progress through Phase 2 of the DFS. A final resource model, within the Study time frame, will generate a final pit design and mining engineering parameters.

Delays with ground surveys has allowed further refinement of options for infrastructure, locations and routes. The availability of Airborne Laser Scanning (LiDAR) is being pursued and is likely to be engaged soon.

Marengo has been progressing well with its research of costs, power supply options and mine operating practices. Information continues to accumulate in regard to local operating costs and general methodology.

Discussions have continued with a number of PNG utility providers to determine the availability and cost of power for the project. A number of options are available for grid based power, but internal studies are underway to examine the options of self generated power. A scoping study is proposed to examine the potential for reasonable levels of hydroelectric power in close proximity to the mine.

The PNG permitting requirements have been examined and a schedule is being finalised to minimise delays in this process. The Company is assisting the local landowners in the formation of a Land Owner Association. This will assist with good communication with the landowners during the progress of project development and ensure that the Company maintains an ongoing relationship of the highest level with all local stakeholders.

Several project presentations were undertaken during the quarter, including local, provincial and national government departments in order to maintain the Yandera Project's high profile in PNG.

Resource Upgrade for the Yandera Project

Subsequent to the end of the Quarter, Marengo has announced an upgraded resource estimate for the Yandera Central Porphyry.

The upgraded resource estimate, comprises an **Indicated Resource of 527 million tonnes (Mt) at 0.38% copper equivalent (CuEq)** and an **Inferred Resource of 766 Mt at 0.33% CuEq**, based on a 0.2% CuEq cut-off.

This compares with the previously announced mineral resource estimate comprising an Indicated Resource of 163 Mt at 0.49% CuEq and an Inferred Resource of 497 Mt at 0.48% CuEq, based on a cut-off grade of 0.3% CuEq. It also represents a 92% increase on the previously reported Indicated Resource based on a cut-off grade of 0.3% CuEq.

The updated resource was prepared in accordance with the JORC Code by international mining consultancy group, Golder Associates Pty Ltd, which prepared Marengo's May 2007 resource update. The revised resource estimate incorporates all diamond drilling results including the 2008 field season (to July) totalling 175 drill holes for 56,969 metres of drilling.

Additionally, Marengo reported an **Inferred Resource Estimate of 1.29 billion tonnes** containing the **by-product metals of gold (Au), silver (Ag) and rhenium (Re)**. Rhenium is an important metal in the manufacture of jet aircraft turbines and has increased tenfold in price over the past five years to US\$11,500/kg (US\$350/oz). **The by-product metals have not been included in the copper equivalent values, however, they do enable the Company to more accurately quantify the value of these metals during the DFS.**

The upgraded mineral resource estimates for the Yandera Project are as follows:

YANDERA PROJECT RESOURCE ESTIMATE

Table 1. Copper-Molybdenum

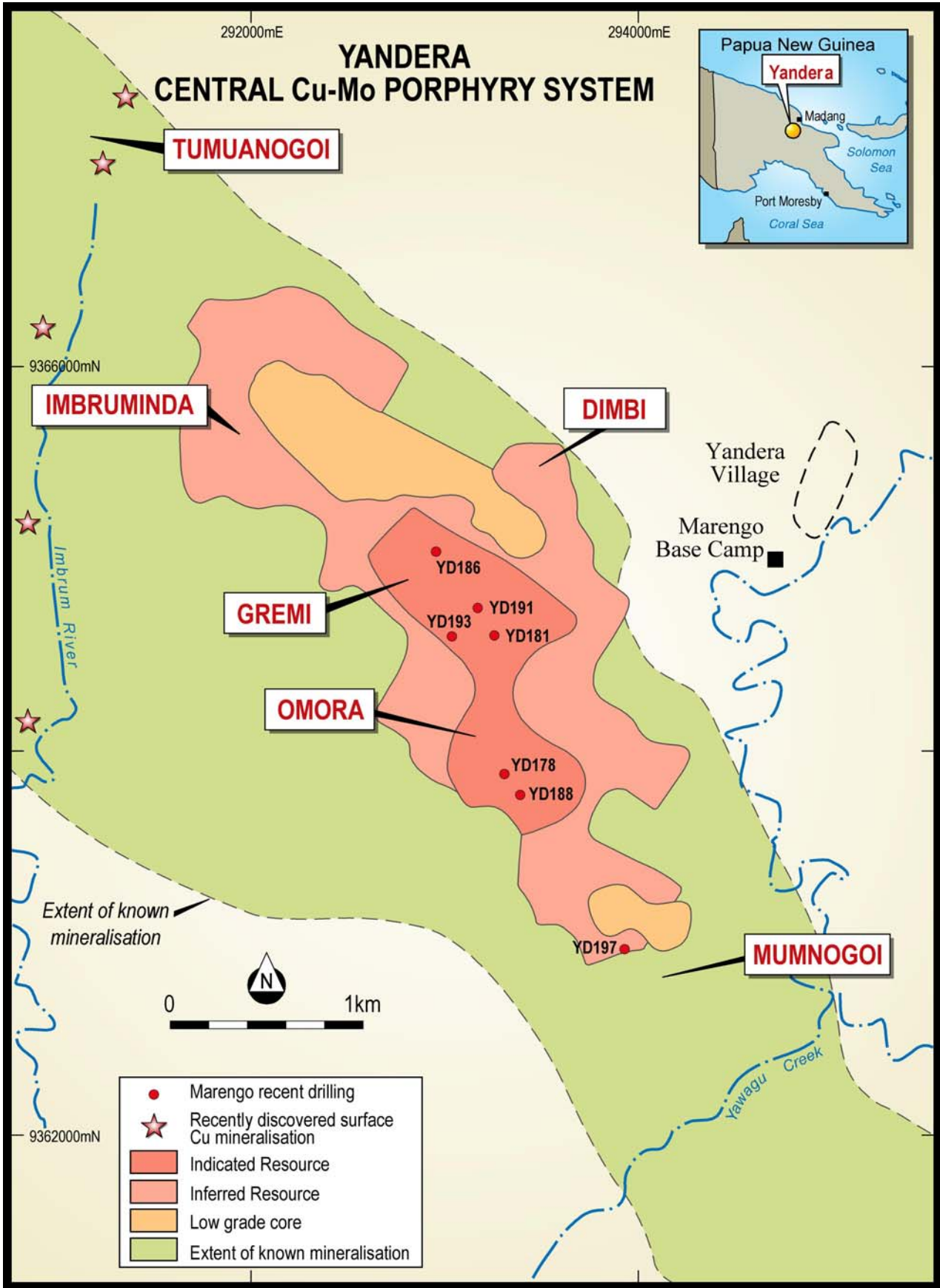
Cut-off (% CuEq)*	Tonnes (million)	CuEq (%)	Cu (ppm)	Mo (ppm)
INDICATED RESOURCE				
0.2	527.1	0.38	2,793	104
0.25	410.5	0.43	3,109	118
0.3	314.5	0.48	3,413	135
INFERRED RESOURCE				
0.2	766.4	0.33	2,488	82
0.25	519.3	0.38	2,879	94
0.3	351.9	0.43	3,275	106
*CuEq. calculated as [Cu + (10 x Mo)]				

Table 2. By Products**

The Copper-Molybdenum resource **includes** the following by-product metals:

Cut-off (% CuEq)	Tonnes (million)	Au (g/t)	Ag (g/t)	Re (ppm)
INFERRED RESOURCE				
0.2	1,293.5	0.08	1.35	0.07
0.25	929.8	0.08	1.46	0.08
0.30	666.4	0.09	1.56	0.08
**Not included in CuEq.				

Note: The by-product resource is contained within the Indicated and Inferred resource in Table 1. Au and Ag grades have been estimated from a smaller set of data than the Cu and Mo grades. Re has been calculated by regression against Mo based on a limited amount of sampling. Uncertainty in the characterisation of the Au, Ag and Re metal content of the resource has resulted in no part of the by product resource being classified as Indicated.



Drilling

The drilling program continued throughout the quarter with six rigs operating on site. Of these, four rigs were involved in the in-pit drilling and two rigs on the exploration program in the Mumnogoi (Southern Quartz Core) area. The in-pit drilling focused on the southern flanks of the Gremi and Imbruminda zones, and also tested the extent of mineralisation in the Imbruminda area. In addition, a further suite of holes were planned for the western extension of the Dimbi zone.

Results were received for the first hole at Mumnogoi (Southern Quartz Core) providing excellent encouragement with an intersection of 77 metres @ 0.44% CuEq (including 21 metres @ 0.61% CuEq). Results are awaited from further drilling in this area, where visible copper and molybdenum sulphides have been observed during core logging.

During the quarter 8,659.20 metres were drilled with 24 holes completed and six in progress.

To date, assay results up to YD196 have been received. Some of the highlights of the results received are presented below:

YD178 (Omora Zone) -60° @ 305° mag - depth 203.4m

This hole was drilled to the north-west to test the size and shape of breccia-hosted mineralisation in the Omora zone.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
42	114	72	0.45	59	0.01	1.3	0.51

Note: CuEq % = Cu% + (Mo% \times 10). Au and Ag values are not included

YD181 (Gremi Zone) -60° @ 210° mag - depth 317.4m

This hole was drilled to the south-west to test the extensions of the Gremi zone mineralisation and any link with the Omora zone across the Dengru creek.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
153	192	39	0.43	25	0.04	2.2	0.46

Note: CuEq % = Cu% + (Mo% \times 10). Au and Ag values are not included

YD186 (Gremi Zone) -60° @ 122° mag - depth 200.6m

This hole is one of a number of north-west orientated relatively shallow holes planned to test any potential north-east/south-west structural controls to the Gremi Zone mineralisation. This hole assayed particularly well along its entire length.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
3	200	197	0.78	541	0.29	1.7	0.91

Note: CuEq % = Cu% + (Mo% \times 10). Au and Ag values are not included

YD188 (Omora) -60° @ 300° mag - depth 203.7m

This hole is one of a fence of holes planned to test the extent and shape of Omora zone breccia-hosted mineralisation. Two intersections of interest were noted.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
42	57	15	0.63	64	0.01	4.5	0.70
108	126	18	0.52	16	0.02	3.8	0.54

Note: CuEq % = Cu% + (Mo% \times 10). Au and Ag values are not included

Associated with a 3m intersection of 0.53 % zinc.

YD191 (Gremi) -60° @ 035° mag – depth 415.3m

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
3	415	412	0.42	96	0.07	1.6	0.50
Within which the following noteworthy intersections are found:							
18	36	18	0.57	123	0.02	2.0	0.69
66	114	48	0.89	91	0.03	2.6	0.99
330	351	21	0.65	167	0.3	2.8	0.82

Note: CuEq % = Cu% + (Mo% \times 10). Au and Ag values are not included

YD193 (Gremi Zone) -60° @ 205° mag - depth 261.6m

This hole was drilled for the purpose of testing any south westerly extensions to the Gremi zone and possible links with the Omora zone.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
174	204	30	0.59	6.5	0.03	4.2	0.60

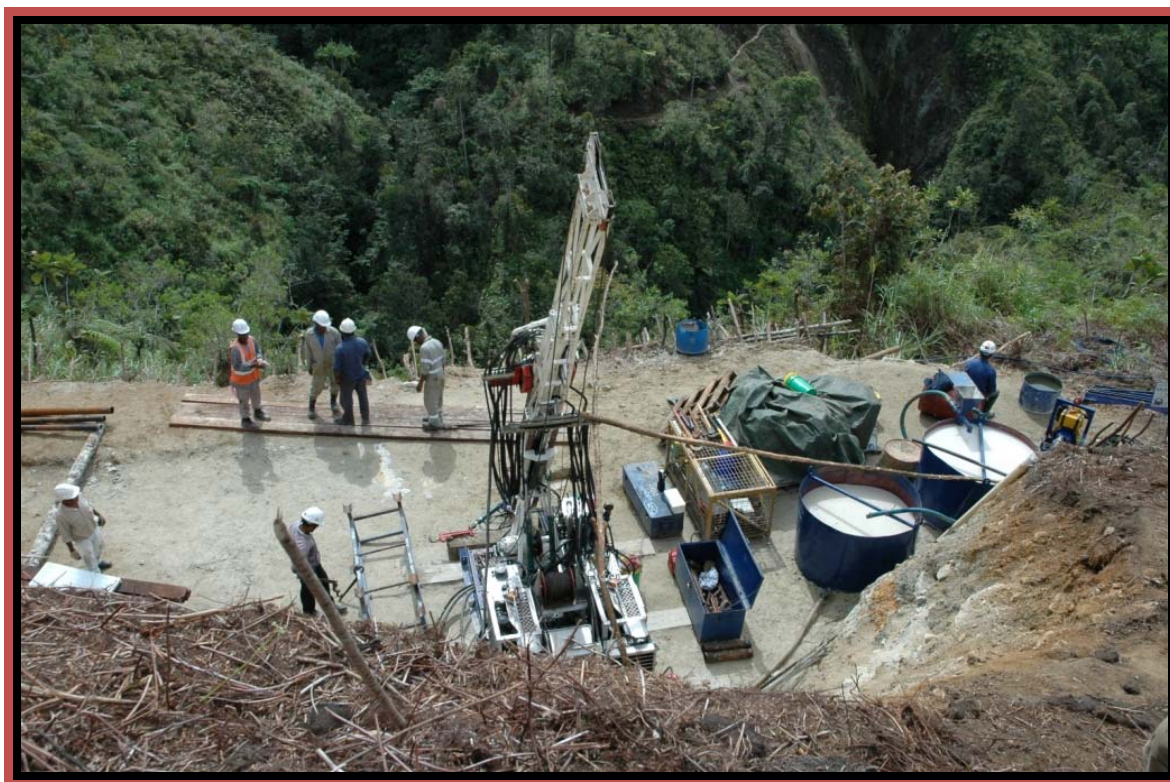
Note: CuEq % = Cu% + (Mo% \times 10). Au and Ag values are not included

YD197 (Mumnogoi Zone) -60° @ 210° mag - depth 353.6m

This hole represents the first assay results from the Mumnogoi zone, and was planned to test the well mineralised zone intersected by DDH088, which averaged 0.59 CuEq% over 90m. Good mineralisation was encountered towards the end of the hole and related to fracturing and brecciation of the country rocks.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	CuEq %
276	353	77	0.30	139	0.04	3.6	0.44
Within which the following intersection was found:							
285	306	21	0.47	143	0.07	4.8	0.61

Note: CuEq % = Cu% + (Mo% \times 10). Au and Ag values are not included



Regional Exploration

Regional exploration during the Quarter focused on surface mapping in the Imbrum River area. Considerable progress was made in identifying near-surface mineralisation in the Imbrum and Gamagu Creek areas. In addition, contour trails have been cleared in preparation for mapping in the Tumuanogoi areas. The Tumuanogoi area falls directly along strike of the mineralisation between the Imbruminda zone and the Queen Bee prospect on the Marum River to the north-west. Reconnaissance creek sampling traverses have previously highlighted the prospectivity of this area.

Prospecting and stream sediment sampling was carried out during early September in the Bawi River area of EL1335. This area is already well-known by the local populace as a source of alluvial gold, and lies within the Bundi Fault Zone. The rocks exposed are slates, siltstones and sandstones with some volcanic rocks and host to abundant quartz veins. Seventeen grab samples of the various lithologies were collected as well as 56 stream sediment samples. Investigations of pan concentrates showed grains of visible gold. Chemical analysis of these samples is awaited.



BOWGAN PROJECT, Northern Territory (Australia)
(Marengo Mining Limited, 49% diluting to 25%)

Marengo previously farmed out its Bowgan Project to a subsidiary of Mega Uranium Ltd (“Mega”), where, following the earning of a 51% interest in the project has elected to sole fund an additional A\$400,000 to earn up to a 75% interest in the project.

Mega has completed the rehabilitation of Marengo and Mega drill holes and reported to the NT Government during the quarter.

Cash Reserves

The Company continues to be in a strong financial position with cash reserves of A\$19.9M (C\$16.9M) at the end of the Quarter, ensuring that Marengo is fully funded to complete the Yandera DFS.

Shareholder Meetings

A General Meeting of shareholders was held on 31 July 2008, with all resolutions being passed by a majority vote.

The Annual General Meeting of the Company will be held at 4.00 pm (WST) on 11 November 2008 at The Celtic Club, 48 Ord Street, West Perth, Western Australia. All shareholders and interested visitors are invited to attend to meet with the Board and Management to discuss the Company's activities.



Les Emery
Managing Director
31 October 2008

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NOTES

Certain statements in this report contain forward-looking information. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the results of future exploration, risks inherent in resource estimates, increases in various capital costs, availability of financing and the acquisition of additional licences, permits and surface rights. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward looking statements in light of the risks set forth in the company's continuous disclosure filings as found at www.sedar.com

Copper equivalent (CuEq) values are estimated on the basis of $CuEq = Cu + [Mo \times 10]$, i.e. copper @ US\$2/lb and molybdenum @ US\$20/lb. Adjustment factors to account for differences in relative metallurgical recoveries will depend upon the completion of definitive metallurgical testing. Metallurgical recoveries and net smelter returns are assumed to be 100%. By Product metal values (i.e. gold, silver and rhenium) are not incorporated in the copper equivalent value.

Scientific and technical information in this report including that relating to drilling intercepts and mineralisation 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 mineralisation 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.

Except to the extent not set out herein, for a (i) summary description of rock types, geological controls and dimensions of mineralized zones, and the identification of any significantly higher grade intervals within a lower grade intersection; (ii) a summary of the relevant analytical values, widths and, to the extent known, the true widths of the mineralized zones; (iii) a summary description of the geology, mineral occurrences and nature of the mineralization found; and (iv) a summary description of the type of analytical or testing procedures utilized, sampled, sample size, the name and location of each analytical or testing laboratory used and any relationship of the laboratory to the issuer please refer to the Company's technical report filed on SEDAR and dated November 9, 2007. There are no drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to below.

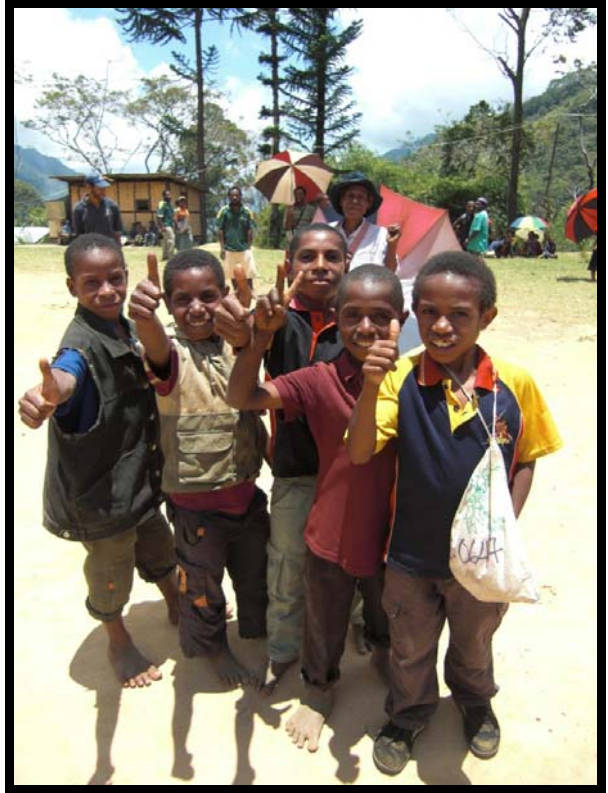
Mr Dendle consents in writing to the issue of this report, to the extent of matters based on his information in the form and context in which it appears.

Sections of this report relating to the Yandera resource estimate were prepared by Mr Stephen Godfrey, Senior Resource Geologist, Golder Associates Pty Ltd. Mr Godfrey is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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 Godfrey is also a "Qualified Person" as defined by NI 43-101. Mr Godfrey is independent of Marengo, as such term is defined in NI 43-101. The effective date of the updated mineral resource estimate and the resource estimate for the by-product metals is October 22, 2008. The method used to verify the data was similar to that described in Marengo's technical report filed on SEDAR and dated November 9, 2007. The key assumptions, parameters and methods used to estimate the mineral resources are set out in a report dated 22 October 2008, prepared by Mr Godfrey, which has subsequently been filed on SEDAR as Appendix B to the news release dated October 24, 2008 and on the ASX on or about October 23, 2008. The estimate of mineral resources are not materially affected by any known environmental, permitting, legal, title taxation, socio-political, marketing or other relevant issues. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Mr Godfrey verified the data disclosed and underlying the information contained in this report in respect of the Yandera resource estimate. Mr Godfrey consents to the inclusion in this report of the matters based on this information, in the form and content it appears.





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Sir Rabbie Namaliu
Non-Executive Director

Susanne Sesselmann
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MGO

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