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Update

- **A\$15M Capital Raising Fully Supported**
- **Yandera Drill Results (incl 201m @ 0.84% copper equivalent)**
- **Yandera Conceptual Mining Study**

A\$15M Capital Raising

Further to the release of 27 July 2007, Marengo is pleased to advise that the first tranche of the share placement is scheduled to be allotted on 15 August 2007.

This tranche consists of 15,277,777 fully paid shares to be issued to clients of Paradigm Capital of Toronto, Canada, at a price of A\$0.36 per share, raising A\$5.5M.

The second tranche of 26,388,890 fully paid shares (also to be issued at A\$0.36) will be allotted subject to approval at a meeting of Shareholders, scheduled for 5 September 2007, raising an additional A\$9.5M. This tranche will be allotted to a number of existing and new Australian and international, institutional, and professional investors.

The Company is encouraged by the strong support that this capital raising has obtained, from both Australia and internationally, demonstrated by the need to expand the placement from A\$12.5M to cater for excess demand.

In addition Paradigm Capital has been engaged by Marengo, as exclusive lead agent for a planned prospectus filing in Canada later in 2007.

Funds raised are principally earmarked for the completion of a bankable feasibility study on Marengo's 100% owned Yandera Copper-Molybdenum project in Papua New Guinea.

Yandera Drill Results

New diamond drilling results from the Company's current drilling program at its 100% owned Yandera Project continue to outline zones of better grade material located within the planned open pit (refer Conceptual Mining Study below).

The best of these was Hole YD 127 at Omora (refer attached plan) which intersected a broad zone of **201 metres @ 0.61% Cu and 234 ppm Mo (0.84 % Cu Equiv)** from a depth of 115 metres to 316 metres (down hole). This intersection comprises the following;

- **36 metres @ 1.20% copper and 224 ppm molybdenum (1.42% Cu Equiv)**
- **39 metres @ 0.52% copper and 351 ppm molybdenum (0.97% Cu Equiv)**
- **126 metres @ 0.47% copper and 200 ppm molybdenum (0.67% Cu Equiv)**

Hole YD 125 (Omora) intersected a zone of 63 metres @ 0.39% Cu and 120 ppm Mo (0.51% Cu Equiv) from 216 to 279 metres downhole.

Hole YD 126, which was drilled on the eastern edge of the proposed pit, at Omora encountered minor mineralization (27 metres @ 0.3% Cu Equiv).

In addition to the two diamond drill rigs currently operating at Yandera, Marengo recently sourced two additional rigs, which will also commence work on site shortly.

Conceptual Mining Study – Bankable Feasibility Study

As recently announced, Marengo has received the results of a Conceptual Mining Study (“CMS”) completed on the Yandera Central Porphyry System.

The key outcomes of the CMS include:

- **a conceptual open pit encompassing 406Mt to underpin an initial 10-year mine life;**
- **initial mining rate of 25Mtpa for the first two years increasing to 40Mtpa;**
- **production of 112,000t and 88,000t of contained copper for the first two years, increasing to an average of 124,000tpa from the third year onwards.**
- **production of 4,200t of contained molybdenum for the first two years, increasing to an average of 6,700tpa from year three onwards.**
- **initial US\$942M capital cost estimate with additional US\$198M to complete the ramp-up to 40Mtpa;**
- **forecast cash operating costs of US\$10.09/tonne (US\$0.75/lb) for the first two years, and US\$9.09/tonne (US\$0.86/lb) at 40Mtpa;**
- **strong economic parameters using a copper price of US\$1.50/lb and a molybdenum price of US\$15.00/lb.**

With the decision to immediately commence a Bankable Feasibility Study for the Yandera Copper – Molybdenum Project, Marengo is now in discussions with a number of suitably qualified engineering groups to co-ordinate the study. A decision on this process is expected shortly.

In addition, the Company is currently moving to recruit additional key staff.



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Sections of this report relating to drilling intercepts and mineralisation were prepared by Mr Peter Dendle who 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 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.

See attached plan

