

MARENGO MINING LIMITED
ABN 57 099 496 474

NOTICE OF GENERAL MEETING
PROXY FORM
AND
EXPLANATORY MEMORANDUM

Date of Meeting
Thursday
18 November 2004

Time of Meeting
4:00 pm

Place of Meeting
The Celtic Club
48 Ord Street
WEST PERTH WA

MARENGO MINING LIMITED
ABN 57 099 496 474
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2004 Annual General Meeting of shareholders of Marengo Mining Limited ("**Company**") will be held at the Celtic Club, 48 Ord Street, West Perth WA on Thursday 18 November 2004 at 4:00 pm for the purpose of transacting the following Business.

ORDINARY BUSINESS

2004 Financial Statements

To receive the financial statements of the Company for the year ended 30 June 2004, consisting of the Annual Financial Report, the Directors' Report and Auditor's Report.

Resolution 1 – Re-election of Dennis Wilkins as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Dennis Wilkins having retired as a director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election be re-elected a director of the Company."

Pursuant to the Company's Constitution, one-third of the directors of the Company (other than the managing director) must retire at each Annual General Meeting and being eligible may offer themselves for re-election.

Resolution 2 – Approval of issue of shares and grant of options to Ronald Smit.

To consider and if thought fit to pass the following resolution as an **ordinary resolution**:

"That for the purpose of Listing Rule 7.4 of Australian Stock Exchange Limited the issue of 1,500,000 ordinary fully paid shares at no cost and 1,500,000 options to acquire ordinary fully paid shares in the capital of the company at an exercise price of 25 cents each and an expiry date of 30 November 2008 to Ronald Smit be and is hereby approved."

Notes:

The Company will disregard any votes on Resolution 2 cast by Ronald Smit who participated in the issue or any person associated with Ronald Smit. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form and vote as the proxy decides.

By order of the Board

Dennis Wilkins
Company Secretary
Date: 11 October 2004

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders in Marengo Mining Limited ABN 57 099 496 474 (“**Company**”) with sufficient information to assess the merits of Resolution 2 contained in the Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to Resolution 2.

The following information should be noted in respect of the various matters contained in the Notice of Annual General Meeting:

RESOLUTION 2 – APPROVAL OF ISSUE OF SHARES AND GRANT OF OPTIONS TO RONALD SMIT.

Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issue, except with the prior approval of members of the company in general meeting of the terms and conditions of the proposed issue.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and shareholders subsequently approve the issue.

Resolution 2 seeks shareholders approval for the purpose of Listing Rule 7.4 to the issue 1,500,000 ordinary fully paid shares at no cost and 1,500,000 options to acquire ordinary fully paid shares in the capital of the Company to Ronald Smit. The options have an exercise price of 25 cents each and expire on 30 November 2008. The terms and conditions of the options issued to Ronald Smit are set out in Annexure A to this Notice of General Meeting.

The shares and options are to be granted as consideration for the acquisition of tenements from Mr Ronald Smit by the Company. No funds will be raised by the issue of these shares or the options to Mr Smit.

Appendix A

Terms and Conditions applicable to the Options to be issued to Ronald Smit referred to in Resolution 2.

1. Entitlement

- (a) Subject to option terms 6, 7 and 8, each option entitles the registered option holder to subscribe for and be allotted one ordinary share in the capital of Marengo Mining Limited ("**Company**"), credited as fully paid, at an exercise price of \$0.25 per share ("**Exercise Price**") as the case may be.
- (b) The Company must, as soon as it is reasonably practicable to do so, allot shares on exercise of the option in accordance with the listing rules ("**Listing Rules**") of ASX and register the option holder or its nominee as a shareholder in the register of members in respect of the shares so allotted. No option may be exercised if to do so would contravene the Corporations Act or the Listing Rules.
- (c) Shares issued on the exercise of options will rank pari passu with all existing ordinary shares in the capital of the Company from the date of issue.

2. Exercise of Options

- (a) An option is exercisable by the registered option holder lodging the notice of exercise of option in the form set out below together with, subject to option terms 7, 8 and 9, the Exercise Price for each share to be issued on exercise and the relevant option holding statement, at any office of the Company's share registrar. The exercise of some options only does not affect the registered option holder's right to exercise other options at a later time.
- (b) Remittances must be made payable to the Company and cheques should be crossed "not negotiable".
- (c) Options may be exercised at any time on or before 5.00pm on 30 November 2008.
- (d) An option not exercised by 5.00pm on 30 November 2008 lapses.

3. Transfer

- (a) Subject to this option term 3 and any restrictions imposed by ASX, options may be transferred at any time before lapsing.
- (b) Subject to this option term 3, options are transferable by any standard form of transfer. Executed and stamped transfers will be recorded in the Company's option register on lodgement of the transfer at any office of the Company's share registrar. The Company will issue a new holding statement in the name of the transferee for the number of options so transferred.

4. Quotation

The Company must apply to the ASX for official quotation of the shares issued on any exercise of an option.

5. Dividends

Shares issued on any exercise of an option will rank pari passu with all existing ordinary shares in the capital of the Company from the date of issue and will be entitled to each dividend for which the books closing date for determining entitlements falls after the date of issue.

6. Bonus issue

If the Company makes a bonus issue of shares or other securities pro rata to holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) at a time when:

- (a) an option has not been exercised in full; or
- (b) an option has been exercised, but shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the bonus issue,

then the number of shares over which the option is exercisable or has been exercised (as the case may be) will be increased by the number of securities which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

7. Rights issue

If the Company makes an offer of ordinary shares pro rata to all or substantially all holders of ordinary shares (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) where $(S + D)$ (as defined below) exceeds P (as defined below) at a time when:

- (a) an option has not been exercised in full; or
- (b) the option has been exercised, but shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the rights issue.

then the Exercise Price per share will be reduced according to the following formula:

$$O^1 = \frac{O - E(P - S + D)}{N + 1}$$

Where:

O^1 = the new Exercise Price per share

O = the old Exercise Price per share

E = the number of shares into which one option is exercisable

P = the average market price of fully paid ordinary shares (weighted by reference to volume) sold in the ordinary course of trading on the ASX during the 5 trading days before the ex rights date or ex entitlements date

- S = the subscription price (application money plus calls) for new shares issued under the rights issue
- D = if the ordinary shares are trading on the ASX on a ex dividend basis, the (if any) dividends (on a per share basis) which have been declared but not yet paid is existing shares (except those to be issued under the rights issue)
- N = number of shares required to be held to receive a right on one new share.

The number of shares which the option holder is entitled to subscribe for on exercise of the option is to remain unchanged.

8. Reconstruction

The rights of an option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

9. Advice

The Company must give notice to the option holder of any adjustment to the number of shares which the option holder is entitled to subscribe for or be issued on exercise of the option or the exercise price per share in accordance with the Listing Rules.

10. Right to participate in future issues

The option holder may only participate in new issues of securities to holders of shares to the extent the option has been exercised, if that is permitted by its terms, and the shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give notice to the option holder of any new issue before the books closing date for determining entitlements to the issue in accordance with the Listing Rules.

MARENGO MINING LIMITED
ABN 57 099 496 474
PROXY FORM

The Company Secretary
Marengo Mining Limited
PO Box 289
WEST PERTH WA 6872
Facsimile: (08) 9429 0099

I/We (name of shareholder)
of (address)
being a member/members of Marengo Mining Limited HEREBY APPOINT
(name)
of (address)
and/or failing him (name)
of (address)
or failing that person then the Chairman of the meeting as my/our proxy to vote for me/us and on my/our
behalf at the General Meeting of the Company to be held on Thursday 18 November 2004 and at any
adjournment of the meeting.

PROXY INSTRUCTIONS

If you wish to instruct your proxy how to vote, insert "X" in the appropriate box against the item of business set out below. If you do not wish to direct your proxy how to vote please place a mark in this box.	<input style="width: 30px; height: 30px; border: 1px solid black;" type="checkbox"/>
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By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an
interest in the outcome of the resolution and, votes cast by him other than as proxy holder, will be
disregarded because of that interest.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

*Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es)
below:*

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain
Resolution 1 – Re-Election of Dennis Wilkins	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>
Resolution 2 – Approval of Issue of Shares and Grant of Options to Ronald Smit	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>	<input style="width: 30px; height: 30px;" type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

<p><i>This Proxy is appointed to represent ____% of my voting right, or if 2 proxies are appointed Proxy 1 represents ____% and Proxy 2 represents ____% of my total votes My total voting right is _____ shares</i></p>

Dated

If the shareholder is an individual:

Signature: _____

If the shareholder is a company:

Affix common seal (if required by Constitution)

Director/Sole Director and Secretary

Director/Secretary

Print name

Print name

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by each of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting **that is by 4:00pm (WST) on 16 November 2004** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.