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MEDIA RELEASE

MARENGO GROWS FURTHER WITH ACQUISITION OF NICKEL, DIAMONDS, TITANIUM PORTFOLIO

NEW ACQUISITION DIVERSIFIES COMMODITY, EXPLORATION BASE

Exploration group Marengo Mining Limited (ASX Code: MGO) has embarked on the acquisition trail, further broadening its project base after securing a portfolio of nickel-copper-PGE, diamond, titanium and gold projects in Western Australia where it plans to commence exploration immediately.

The agreement on the new project portfolio gives Marengo exposure to several commodities, including diversification into nickel and a walk-up drill target for diamonds.

Marengo's Managing Director, Mr Les Emery, said the tenement package had been secured through an agreement with the Group's Exploration Manager, former senior BHP exploration executive Mr Ron Smit.

"We have been attempting to secure this very attractive portfolio for some time and we are very pleased to have negotiated an agreement which preserves Marengo's cash and enables us to focus our resources on exploration," Mr Emery said.

Under the agreement, Marengo will acquire a 100% interest in the **Minigwal** and **Binneringie Nickel-Copper-PGE Projects**, and the **Blanche Diamond Project**, as well as a free-carried 15% interest in the **Splinter Gold Project**. The consideration is the issue of 2 million fully paid Marengo shares, with an attaching option, exercisable at 25 cents on or before 30 November 2008.

The **Minigwal** Nickel-Copper-PGE Project, previously explored by BHP Minerals, is located 280km north east of Kalgoorlie and includes a large gravity and magnetic anomaly interpreted to be part of a large magmatic complex and considered an excellent target for Voisey's Bay and Jinchuan-style nickel sulphide deposits. It will be Marengo's priority focus.

Only two shallow holes have been drilled historically at Minigwal, by BHP in 1982 as part of a regional search for Olympic Dam-style mineralisation. The dimension of the strongly magnetic component of the complex is approximately 12 by 1.2 kilometres, making this a compelling target.

Mr Emery said Marengo's exploration strategy would be to complete an airborne electromagnetic survey in order to detect strong conductive bodies associated with massive nickel sulphides.

“We plan to commence this work immediately in order to define drill targets, while at the same time assessing the exciting potential of the Minigwal Project for hard-rock ilmenite,” he said.

The previous BHP drilling returned significant ilmenite values which, if confirmed, potentially represent an economic intersection. The mineral assemblage is similar to the world-class Tellnes hard-rock titanium deposit in Norway (300 million tonnes at 18% TiO₂), which produces around 7% of the world’s ilmenite.

The **Blanche Diamond Project**, located 350 km east of Newman in the Pilbara region, was also explored by BHP Minerals in the mid-1990s, resulting in the detection of an intense circular magnetic feature on the western margin of the Great Victoria desert.

Mr Emery said the magnetic target had never been tested, with the bulls-eye magnetic body interpreted as a volcanic pipe / diatreme which could be a kimberlite or carbonatite.

“The depth to the top of the pipe-like body is 80-90 metres below surface with a depth extent in excess of 500 metres,” he said. “Our exploration strategy will be to drill test the bullseye magnetic target as soon as possible, and we expect to be on the ground carrying out surface testing to prepare drilling locations within weeks.”

The **Binneringie Nickel-Copper-PGE Project**, located 85 km south east of Kambalda, is located along the Binneringie Dyke, which has many similarities with the nickel-bearing Jemberlana Dyke 50 km to the south which is being actively explored by other operators. The exploration target is embayment structures where the dyke thickens dramatically.

The **Splinter Gold Project**, located 120 km north east of Esperance, is being explored by recently listed explorer Nickel Australia Ltd (ASX: NKL), which has the right to earn an 85% interest by free-carrying the other parties to a decision to mine.

The target is a large gold-in-calcrete geochemical anomaly located at the intersection of major structural trends which is considered highly prospective for Proterozoic gold mineralisation. The dimension of the Splinter gold anomaly is comparable in size and magnitude to those that led to the Tropicana and Barns gold discoveries, in WA and the Gawler Craton in South Australia respectively.

Marengo is in a strong financial position, with cash reserves of \$2.6 million. On completion of the transaction, the Company will have 34 million shares on issue.

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Released by:
Jan Hope / 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: lese@marengominig.com