

PROJECT LOCATIONS


**BINNERINGIE PROJECT, YILGARN BLOCK, WA
(100% MARENGO) Target – Nickel, copper & platinum group elements**

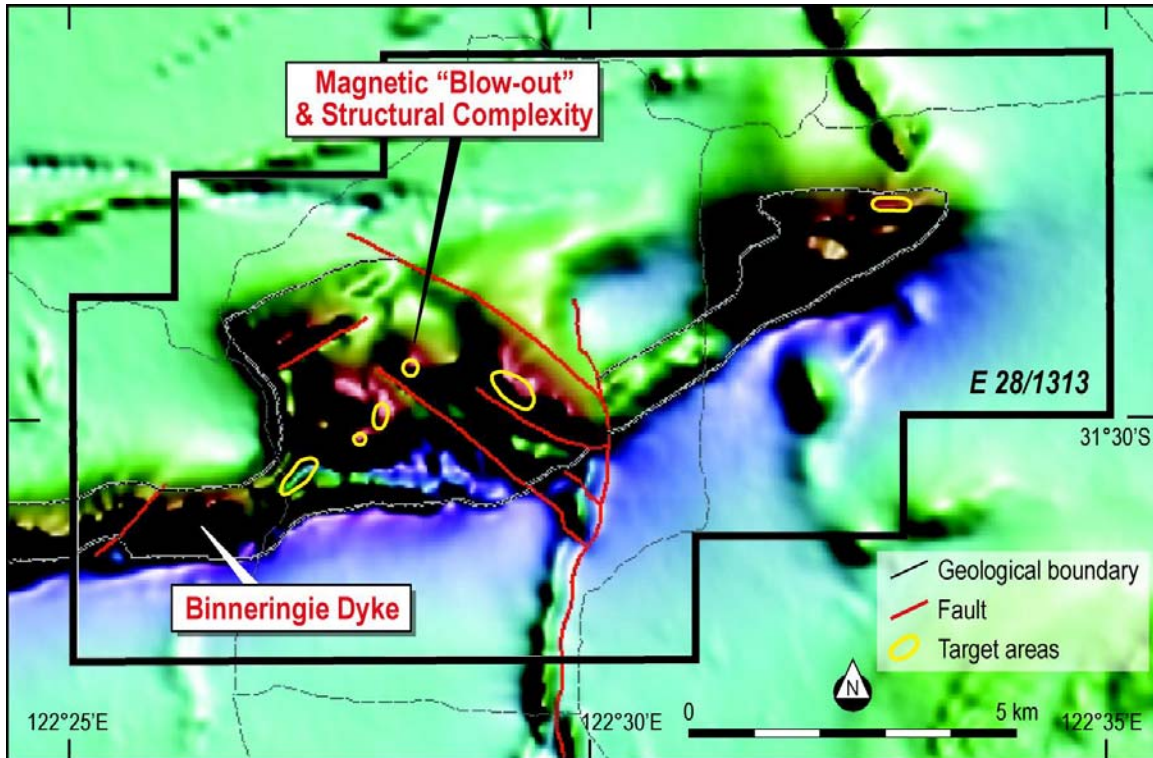
An initial six hole reverse circulation drilling program will commence this week on this project, designed to test magnetic and embayment features which may be related to the development of magmatic nickel-copper sulphides and/or platinum group elements.

This project is located 85km southeast of Kambalda in the Archaean Yilgarn Block. The principle target is an unusual magnetic “blow-out”, located along the Binneringie Dyke. This structural complexity is interpreted to represent the root zone of a layered mafic intrusion and is considered prospective for Jinchuan (China) style nickel sulphide mineralisation and/or platinum group element mineralisation, similar to the Great Dyke of Zimbabwe.

During the quarter, 1,030 line kilometres of detailed airborne magnetic and radiometric multiclient data was purchased, this data confirming the structural complexity and “blow-out” of the dyke.

Since the end of the quarter and following receipt of statutory clearance approvals, track and drill site access was established. The target zones are generally buried beneath a transported cover sequence of up to 50m in thickness.

Results from the current drilling program are expected to be available by early November.

Binneringie Project - Aeromagnetic image**MINIGWAL PROJECT, FRASER BELT, WA**

(100% MARENGO) Target – Nickel, copper & platinum group elements

Data from a recently flown airborne electromagnetic survey (HoistEM) has only just been received and is currently being processed and interpreted by Marengo's geophysical consultants.

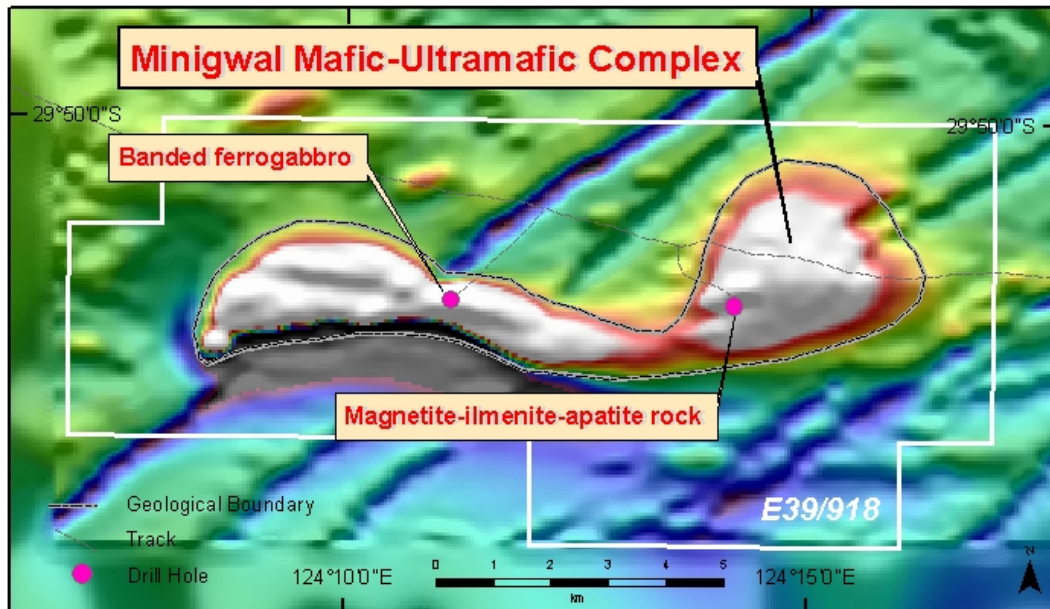
This work is expected to be completed by the end of October, although preliminary results indicate the existence of a number of conductive bodies within the western sector of the mafic-ultramafic intrusion, covered by Marengo's exploration licence.

Ground clearance/drilling applications are in hand and it is planned to have drill testing of these targets (including the hard-rock ilmenite target) completed by the end of the calendar year. Some ground EM may also be utilised to provide better target definition in some areas.

MINIGWAL PROJECT, FRASER BELT, WA (cont.)
(100% MARENGO) Target – Nickel, copper & platinum group elements

This project is located 280km northeast of Kalgoorlie, on the western margin of the Great Victoria Desert. The principal target is a shallowly buried (<20m) large mafic-ultramafic intrusion situated along the craton margin in the Archaean Yilgarn Block. This largely untested intrusion is considered an excellent target for Voisey's Bay style nickel sulphide mineralisation.

Minigwal Project - Aeromagnetic image



BOWGAN PROJECT, NT
(100% MARENGO) Target – Gold & uranium

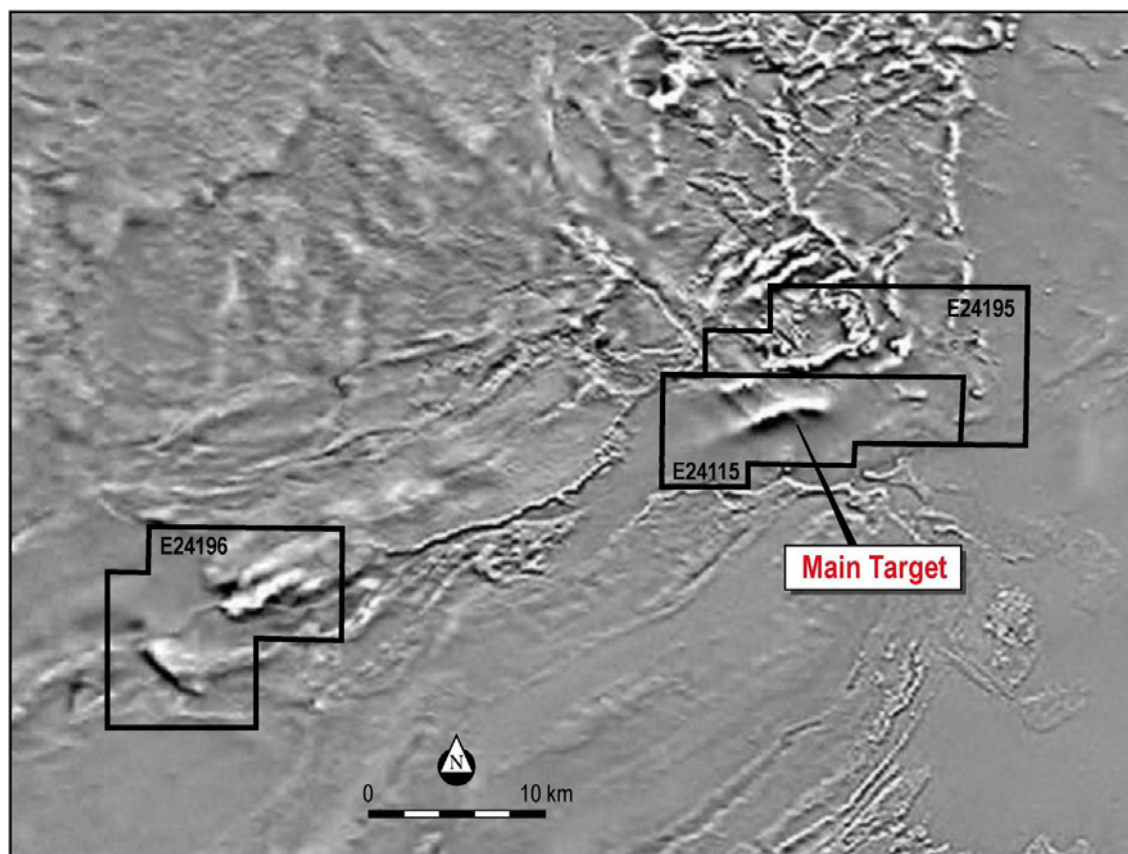
This project is located approximately 300km northeast of Tennant Creek, where the target is unconformity hosted gold-uranium mineralisation (Coronation Hill style) along the Fish River fault.

The main target is a linear magnetic anomaly, of some 6km in length, which has in parts a coincident electromagnetic anomaly. This direct drill target has never been tested, although geophysical modelling indicates a relatively shallow depth to target (<50 m).

BOWGAN PROJECT, NT (cont.)
(100% MARENGO) Target – Gold & uranium

The NT Department of Business, Industry and Resource Development have informed Marengo of their intention to grant applications for Exploration Licences 24115 and 24195 by late October 2004. A consultation process with the registered native title claimants, to explain the planned exploration activities, will be convened as soon as possible after grant.

The exploration strategy is to ground check the magnetic anomaly, with drill testing of the target zone in early 2005, subject to seasonal conditions.

Bowgan Project - Aeromagnetic image

**BLANCHE PROJECT, RUDALL BLOCK, WA
(100% MARENGO) Target – Diamonds**

This project is located 350km east of Newman on the western margin of the Great Sandy Desert. The main target, a bulls-eye magnetic feature termed the “Blanche Pipe” was drill tested during the quarter.

A single reverse circulation drill hole was drilled to a depth of 66m to establish if the feature was kimberlitic in nature. The hole passed through a 32m cover sequence (shallower than previously anticipated) of partly indurated claystone. Beneath the unconformity the basement rocks are relatively fresh, apart from an upper zone of variably weathered and silicified ultramafics.

The hole was terminated in fresh black magnetite rich serpentinite. The visible magnetite content, coupled with the magnetic susceptibility readings from the drill cuttings confirm that this is a highly magnetic body and that the intense magnetic bulls-eye feature has been adequately explained.

Although a petrological report and multi-element assays are awaited, the rock types are not thought to be kimberlitic.

A cluster of similar features, with much lesser magnetic susceptibility (some with coincident topographical features) occur along the same northwesterly trending structural corridor. These features represent additional kimberlite targets and a decision on how best to progress these will be determined during the current quarter.

**ASHBURTON PROJECTS, ASHBURTON DISTRICT, WA
(100% MARENGO) Target - Gold**

Drill testing of several gold anomalies on the Saltwater Pool Project has been deferred, pending resolution of matters related to indigenous heritage clearances.

During the quarter Marengo entered into an agreement with Poondano Exploration Pty Ltd, whereby that company may undertake exploration and mining of iron ore over the Jamie Bore project area in exchange for a production royalty. Marengo will retain all rights to non-ferrous metals and will benefit from data generated from any work carried out by Poondano.

No work carried out during the quarter on Jamie Bore, Capricorn and Kunderong projects.

**MT KORONG PROJECT, LAVERTON DISTRICT, WA
(100% MARENGO) Target - Gold**

No work carried out during the quarter.

PROJECT GENERATION

Marengo continues to review numerous project opportunities, both onshore and offshore, for a range of commodities.

The Board remains committed to providing shareholders with maximum leverage from the Company's activities, by the prudent use of shareholder funds and maintaining as tight a capital structure as possible.

CORPORATE

Cash at Bank

At the end of the quarter the Company had cash reserves of \$2.36M.

Substantial Shareholders

During the quarter the Company received no substantial shareholder notices.

Annual General Meeting

The Company's Annual General Meeting will be held at 4.00pm on Thursday 18 November 2004 at The Celtic Club, 48 Ord Street, West Perth, WA. Attendance by shareholders and interested parties is both welcomed and encouraged.



Les Emery
Managing Director

18 October 2004

The information in this report is based on information compiled by Mr Ron Smit, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Smit 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 1999 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Smit consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

<http://www.marengominig.com>

CORPORATE DIRECTORY

Board of Directors

John Horan	Chairman	
Les Emery	Managing Director	(Email: lese@marengominig.com)
Dennis Wilkins	Director	
Doug Dunnet	Non Executive	

Company Secretary

Dennis Wilkins

Exploration ManagerRon Smit (Email: rons@marengominig.com)**Issued Share Capital**

Fully Paid Shares:	33,250,377 (ASX Code: MGO)
Listed Options (20 cents expiring 28 February 2008):	13,497,746 (ASX Code: MGOO)

Major Shareholders

Current major shareholders are:

Management	14.10 %
Allundy Pty Ltd	10.70 %
JP Morgan Nominees Australia Pty Ltd	7.52 %

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