


QUARTERLY REPORT

for the period ending 31 March 2005


highlights of the quarter

 **Marengo to focus attention on Pacific Rim mineral systems by securing exciting new copper and gold projects in Papua New Guinea (“PNG”).**

 **Marengo has farmed into a joint venture in PNG over a granted exploration licence (1,163km²) which includes the high profile Yandera Porphyry Copper Project, where previous diamond drilling has intersected significant copper values with molybdenum and gold credits, such as:**


468 metres @ 0.65% Cu, 206 ppm Mo, 0.19 g/t Au
294 metres @ 0.49% Cu, 40 ppm Mo, 0.45 g/t Au
150 metres @ 0.87% Cu, 289 ppm Mo, 0.21 g/t Au

In addition, the licence area contains a number of other prospects where limited exploration has identified copper, gold and molybdenum mineralisation.


 **Marengo has lodged an application for an exploration licence covering some 157km² on Goodenough Island, PNG (Bolubolu Project) where previous exploration produced trench sample results including;**

39 metres @ 2.1g/t Au (incl. 6 metres @ 11.9g/t Au)
8 metres @ 4.9g/t Au (incl. 4 metres @ 6.1 g/t Au)

This project has not been drill tested.

 **Massive high grade magnetite (iron) mineralisation with associated ilmenite (titanium) discovered in drilling at the 100% owned Minigwal Project (Western Australia).**

 **Plans to drill test the highly prospective 100% owned Bowgan Project (Northern Territory) for uranium–gold mineralisation and to seek a farm-in partner to further explore the project’s demonstrated diamond potential.**

 **New subsidiary, Marengo Mining (PNG) Limited formed to operate PNG assets.**

 **Cash balance of A\$1.8M at quarter end, with 33.25M shares on issue.**

contact us

For further information please visit our website at www.marengominig.com

Level 2, 9 Havelock Street or PO Box 289
West Perth WA 6005 West Perth WA 6872

Phone: (618) 9429 0000
Fax: (618) 9429 0099

Email: marengo@marengominig.com

ASX Codes:
Shares – MGO
Options – MG00

Les Emery – Managing Director Ph: (61 8) 9429 0001
Email: lese@marengominig.com

Ron Smit – Exploration Director Ph: (61 8) 9429 0003
Email: rons@marengominig.com



NEW HORIZONS

PAPUA NEW GUINEA INITIATIVE

Following an extensive project generation effort, covering many months and regions, Marengo has identified a number of opportunities in highly prospective Papua New Guinea ("PNG").

As Australia's nearest neighbour (some 150km from Cape York Peninsula) PNG has a long history of mining, dating back to 1878 and has historically been amongst the world's largest copper and gold producers.

Located on one of the world's most dynamic tectonic zones, PNG has and continues to produce world class ore deposits, such as Bougainville, Lihir, Misima, OK Tedi and Porgera. In addition, recent developments have seen the discovery of medium size ore deposits, including Tolukuma, Kainantu, Hidden Valley and Simberi.

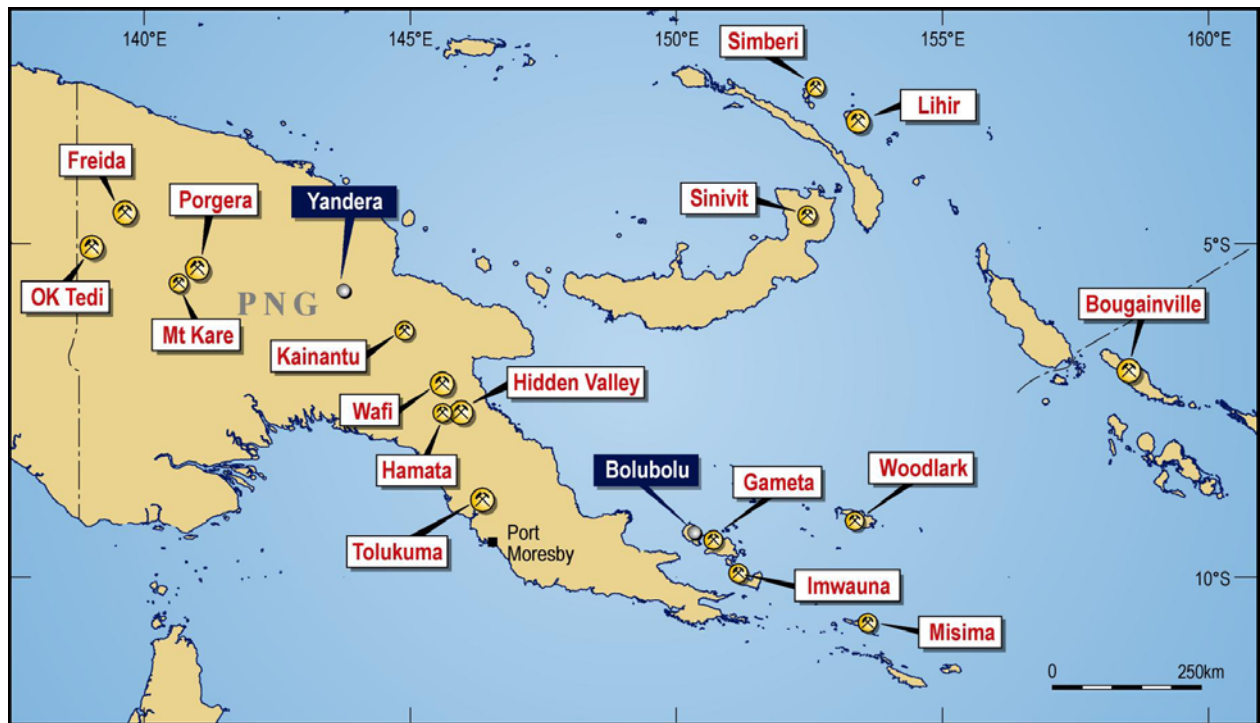
Since gaining independence in 1975, PNG has, along with other nations, suffered periods of downturn in mineral exploration investment. However, in recent years there has been a strengthening of investment back into PNG. This has occurred as a result of increasing world demand for commodities (with resultant price increases), together with a change to a more favourable fiscal regime for investment.

PNG operates a parliamentary democracy, based on the Westminster model, where all major parties support private enterprise and foreign investment.

Marengo is pleased to join many existing Australian and international companies who successfully operate both exploration and mining projects in PNG, a trend which is seen gaining momentum over recent months.

It is anticipated that Marengo, through its subsidiary Marengo Mining (PNG) Limited, will add to its project portfolio over the coming months.



PNG – PROJECT LOCATION MAP**YANDERA PROJECT, MADANG PROVINCE, PNG**

(MARENGO MINING (PNG) LIMITED – RIGHT TO EARN 90% INTEREST)

Target – Porphyry Cu-Mo-Au, Epithermal Au

Marengo Mining Limited has entered into an agreement with Belvedere Limited, a private PNG company headed by Peter Macnab a highly regarded and successful Australian geologist (instrumental in the discovery of Lihir and an early stakeholder in Misima).

Marengo can earn an initial 50% interest in the project by spending A\$500,000 on exploration within 24 months, thereafter Marengo has the right to earn a 90% interest in the property by sole funding to the completion of a feasibility study subject to Belvedere Limited electing not to contribute.

Furthermore, Marengo will reimburse the vendors a total of A\$100,000 over a 12 month period, for previous exploration expenditure.

Upon earning a 50% interest, Marengo will issue 2,000,000 20 cent options (or 8% of options on issue at the time, whichever is greater) to Belvedere Limited.

Introduction

The Yandera Project, which includes the Yandera Porphyry Copper prospect, lies along the lower northern flanks of the Bismarck Range in Madang Province of Papua New Guinea. It is located 450km northwest of Port Moresby and

95km southwest of Madang. The project consists of one granted Exploration Licence (EL1335) that covers an area of approximately 1163km². The licence was granted on 20 November 2003.

Marengo's objective, beside the evaluation of the porphyry mineralisation, is to explore for gold-bearing epithermal veins peripheral to the known porphyry mineralisation. Evidence indicates the prospectivity for this style of mineralisation to be very high with field reports noting auriferous quartz-carbonate stringers, auriferous manganese oxide stringers and several alluvial gold workings.

Yandera Porphyry Copper Prospect

The Yandera Porphyry Copper Prospect is one of PNG's largest undeveloped porphyry copper deposits.

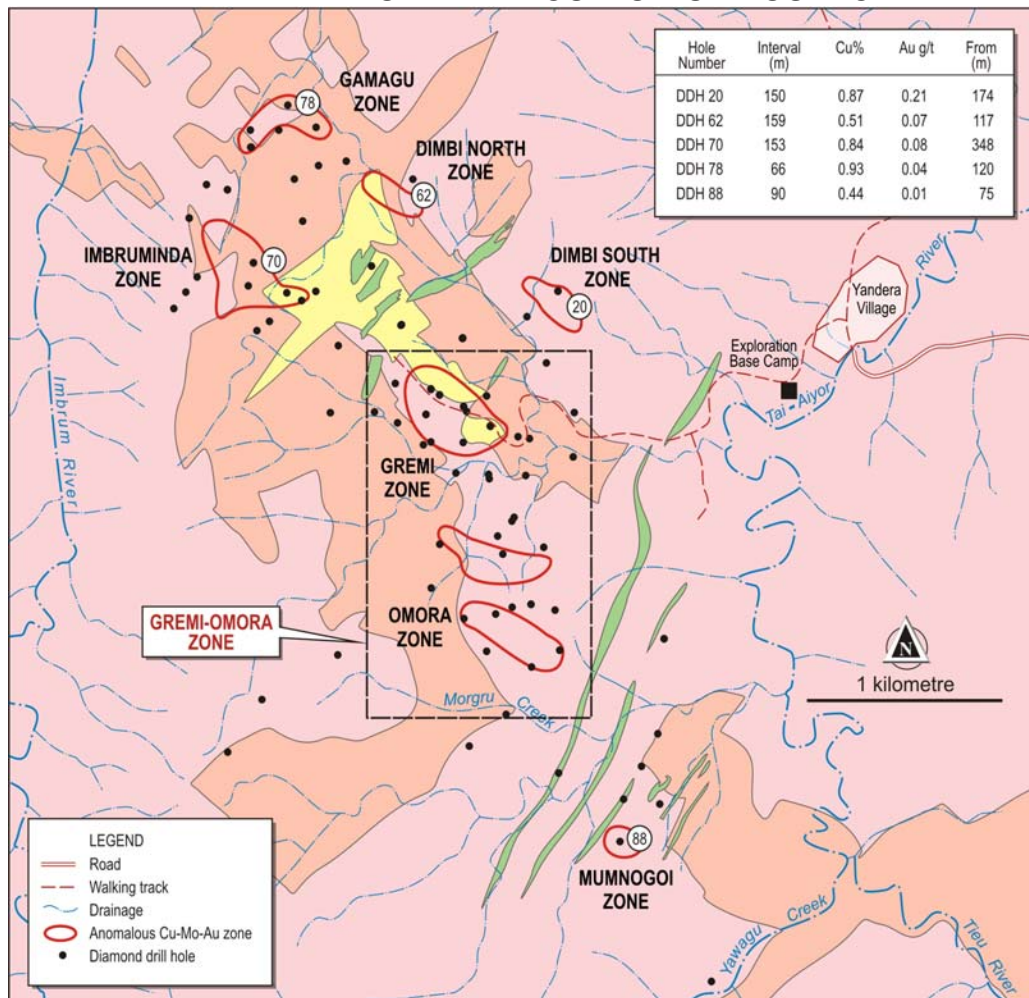
It was discovered by Australian government geologists in 1957. The first mineral exploration group to advance the discovery was Kennecott Exploration Limited in 1965. From 1965 to 1982 a major drilling and sampling program was completed which identified eight separate zones of coherent copper-molybdenum mineralisation with associated gold. In excess of US\$20 million has been spent on exploration. 102 diamond drill holes totalling >32,000 metres were drilled over a 4km x 2km area. Based on this evaluation, two separate but currently non-JORC compliant mineral resource estimates were compiled.

A summary of some of the wider mineralized intercepts are shown in the table below:

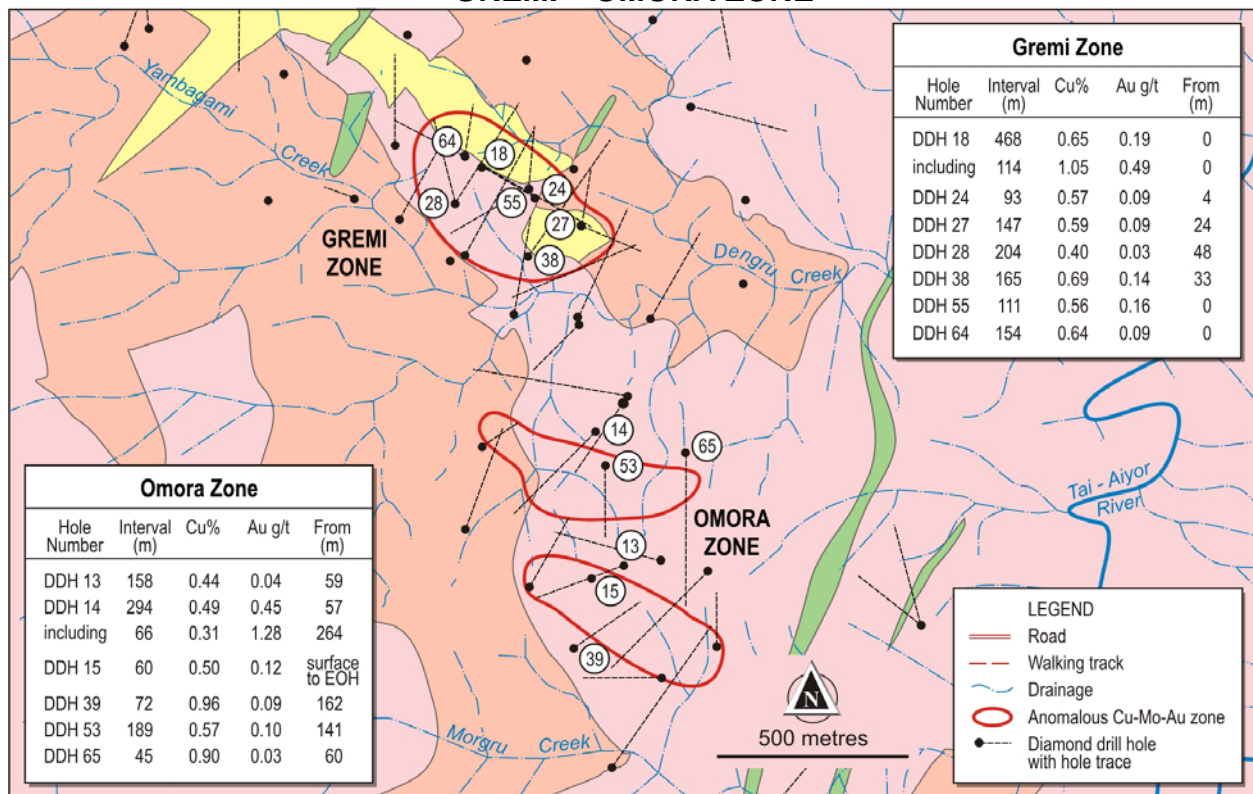
Hole_No.	Prospect	Interval (m)	Cu %	Mo ppm	Au g/t	From (m)
18	Gremi	468	0.65	206	0.19	0
includes	Gremi	114	1.05	213	0.49	0
24	Gremi	93	0.57	130	0.09	4
27	Gremi	147	0.59	439	0.09	24
28	Gremi	204	0.40	144	0.03	48
38	Gremi	165	0.69	161	0.14	33
55	Gremi	111	0.56	92	0.16	0
13	Omora	158	0.44	909	0.04	59
14	Omora	294	0.49	40	0.45	57
includes	Omora	66	0.31	16	1.28	264
15	Omora	60	0.50	36	0.12	0
39	Omora	72	0.96	402	0.09	162
53	Omora	189	0.57	580	0.10	141
65	Omora	45	0.90	15	0.03	60
20	Dimbi S	150	0.87	289	0.21	174
62	Dimbi N	159	0.51	300	0.07	117
70	Imbrum	153	0.84	124	0.08	348
78	Gamagu	66	0.93	75	0.04	120
88	Mumno	90	0.44	152	0.01	75

Note: the nominal sample interval is 3 metre; intercepts are weighted averages calculated using a 0.3% copper cut-off grade

YANDERA PORPHYRY CU-MO-AU PROSPECT



YANDERA PORPHYRY CU-MO-AU PROSPECT GREMI – OMORA ZONE



A number of drill holes have intercepts of >30 metres with grades exceeding 1.0% Cu. These better grades are associated with hydrothermal and contact breccias and are key target areas for additional drilling. The objective is to define a higher grade core approaching 100 Mt at > 1% Cu equivalent within the much larger mineralised envelope.

The mineralisation is hosted by quartz diorite porphyry. The porphyry shows complex alteration and overprinting patterns related to multiple intrusive events. In general terms it can be described as having a central potassic core with an outer envelope of propylitic alteration. Pervasive structurally controlled phyllic alteration occurs mainly as an overprint over potassic alteration. Zoned alteration and geochemical halos persist for a large distance beyond the existing drilling.

Epithermal Gold Prospectivity

There is widespread alluvial mining in the Yandera district within and peripheral to the known porphyry mineralisation. In addition to this, there are both long-known and newly discovered alluvial gold occurrences throughout the exploration licence, including Jimi Gap (where local miners are producing coffee jars of rough nuggets mixed with finer gold, some attached to quartz, from numerous widespread small gullies).

The main target type is Kainantu-style high grade epithermal quartz-gold veins (> 1Mt at 30 g/t). The geological setting of the exploration licence is favourable with major fracture systems developed peripheral to the numerous late-stage intrusive stocks.

Recent field visits by Belvedere Limited personnel to the Yandera district have noted:

- **Imuru-Karisokera gold anomaly** – local villagers are selectively mining a number of auriferous manganese oxide stringers veins in weathered bedrock. Rich alluvials in creeks draining Karisokera Hill erode quartz-carbonate veins sets.
- **Kindaukevi-Mokinangi gold anomaly** - significant pannable gold won from creeks draining a major lithological contact between the granodiorite, porphyry intrusions and calcareous sediments.
- **Yandera porphyry copper gold anomaly** – significant pannable gold won from all creeks draining Omora, Gremi, Dimbi and Gamagu zones. The gold recovered range in size from fine (<mm) up to 1cm across and is of very high fineness. Their form varies from

slightly rounded and water worn, flat to wirely and dendritic. Quartz floats with or without copper minerals has been reported from most creeks with pannable gold. More recently at Gamagu local miners have been mining quartz-limonite and manganocarbonate (manganese oxide) sulphide veins in weathered diorite. Good fine gold tail have been noted when these veins were crushed and panned

- **Karamuke gold anomaly** – Quartz-pyrite-chalcopyrite veins have been noted in the auriferous creeks draining rocks located peripheral to the porphyry copper zone.

Exploration Strategy – The exploration strategy will investigate the economic potential of the porphyry copper deposit as well the potential for epithermal gold systems.

At the Yandera Porphyry Copper Prospect the following activities are planned

- a detailed re-assessment of all scientific information including 3D computer modelling of all drill data.
- field mapping by experienced geologists to incorporate recent advancements in the understanding of these giant systems with particular emphasis on improving the understanding of the controls of higher grade mineralisation.
- Drill testing to provide oriented drill core for structural and alteration analysis as well as provide samples for metallurgical studies.

The epithermal gold program will initially involve the detailed field mapping of old and new alluvial workings throughout the licence area but with particular emphasis on the Yandera district and the Jimi Gap area. This work will be supplemented with stream, soil, rock and trench sampling.

BOLUBOLU PROJECT, GOODENOUGH ISLAND, PNG
(100% MARENGO MINING (PNG) LIMITED)
Target - Gold

The Bolubolu Project is located on Goodenough Island, Milne Bay Province, Papua New Guinea. It is located 350km east of Port Moresby. The project consists of one application for an Exploration Licence that covers 157km².

Goodenough Island is the northern most island in the D'Entrecasteaux Island chain which constitutes a new mineral district that contains a number of significant gold deposits and prospects associated with emergent metamorphic core complexes. This mineral district is included in the Misima Gold Corridor.

The geological and structural setting of the Bolubolu Project area has many similarities to the Wapolu and Gameta gold deposits (gold resources of 880,000oz) located on neighbouring Fergusson Island. Gold mineralisation is associated with shallow detachment fault zones developed along the margin of the metamorphic core complexes.

Previous exploration in Bolubolu Project area indicates that significant potential exists for the discovery of gold mineralisation.

The main target is the Bolubolu North prospect, located along the faulted contact of the metamorphic core complex and an area characterised by anomalous gold and a zone of magnetic destruction and structural complexity. This prospect was discovered in the mid 1980's (Esso/City Resources) and has never been drilled tested. Stream pan concentrate samples up to 35 g/t Au and float samples up to 25 g/t Au were reported. The best mineralised zones (trench sampling) from a fault breccia were:

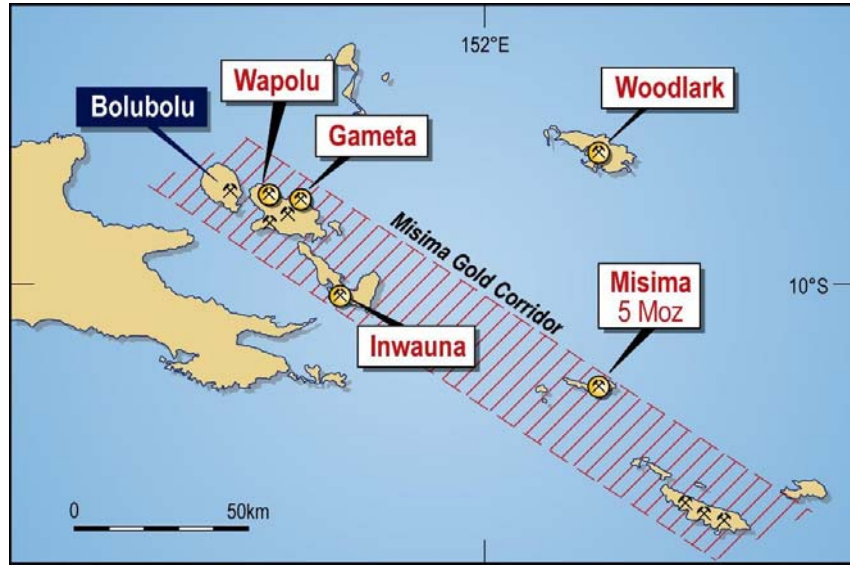
- 39m at 2.1 g/t Au including 6m at 11.9 g/t Au (horizontal zone);
- 8m at 4.9 g/t Au including 4m at 6.1 g/t Au (vertical zone)

Other prospects in the area include Bolubolu South, Motouya and Goila. These prospects have anomalous gold along with highly elevated arsenic and antimony levels.

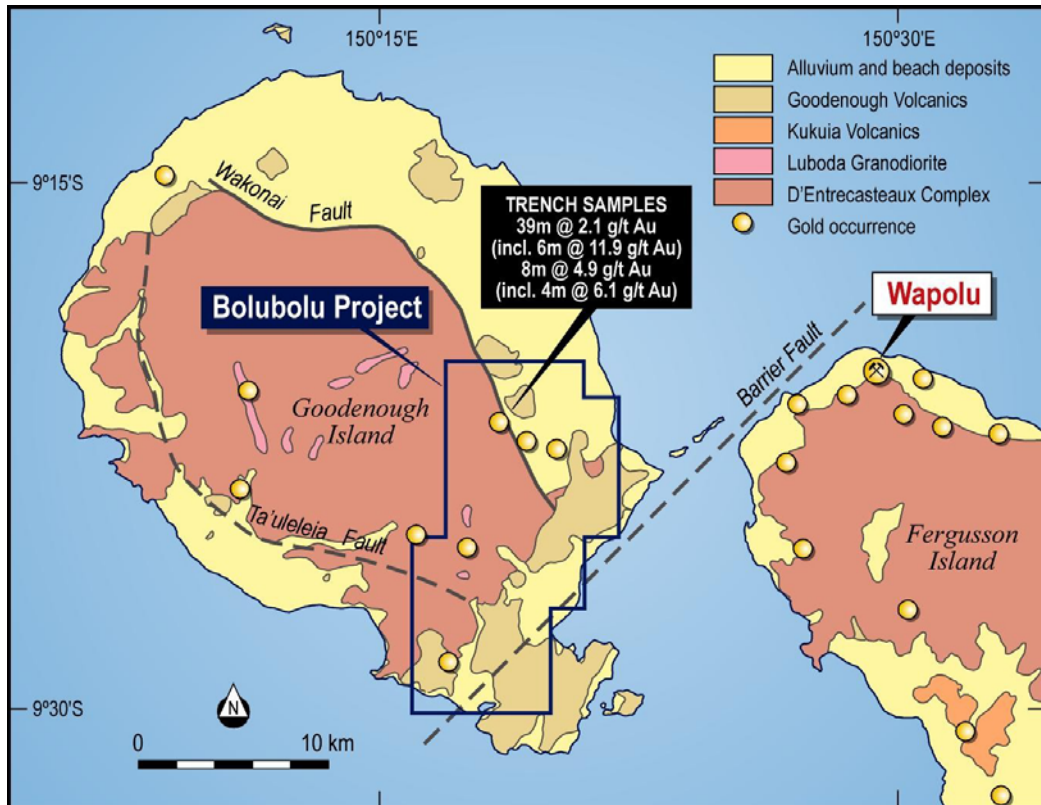
The granting of the exploration licence is expected to take 3-6 months and will involve community meetings with the local landholders. Once the licence is granted, it is Marengo's intention to rapidly advance the project to a drill testing stage.

Other prospects in the area include Bolubolu South, Motouya and Goila. These prospects have anomalous gold along with highly elevated arsenic and antimony levels.

BOLUBOLU PROJECT LOCATION



BOLUBOLU PROJECT GEOLOGICAL SETTING



**MINIGWAL PROJECT – Western Australia
(Marengo 100%)
Target – Iron, titanium & vanadium**

The Minigwal Project is located approximately 280 kilometres northeast of Kalgoorlie.

During the quarter the company completed a 42 hole air-core drilling program totalling 1755m, designed to test a variety of geophysical targets considered prospective for nickel sulphide and iron-titanium style mineralisation. As previously reported, two holes intersected massive high-grade magnetite-ilmenite mineralisation (referred to as the Scorpion Prospect).

No significant precious metal or base metal values were recorded from the drill program.

Geology

The drill program tested a shallowly buried magnetic – gravity complex interpreted as a mafic – ultramafic complex. Drill results indicate that this complex consists of a banded vanadiferous meta-ferrogabbro and a phosphatic meta-gabbro. Based on limited drill holes the surrounding host rocks include quartzofeldspathic granite gneiss and metasedimentary rocks. No ultramafic rocks were intersected in the drill program.

The meta-ferrogabbro is host to the Scorpion Prospect and is considered prospective for additional Fe-Ti-V-P mineralisation.

Scorpion Prospect (Fe-Ti-V)

Two holes, MGA31 and MGA35 intersected massive high-grade magnetite-ilmenite mineralisation. Twelve 2m composite samples from the mineralised zone were submitted to Genalysis, Perth WA for multielement analysis (Al, Fe, P, Si, Ti, V). The sample preparation method involved sodium peroxide fusion (zirconium crucibles) and hydrochloric acid to dissolve the melt; and the analytical method was by Inductively Coupled Plasma Optical Emission Spectrometry. The weighted average intersections are:

- **MGA31: 10m at 43.1 % Fe, 6.9 % Ti from 37m to 47m (hole ended in mineralisation)**
- **MGA35: 6m at 37.6 % Fe, 5.0 % Ti from 30m to 36m (weathered zone)**
- **MGA35: 8m at 43.4 % Fe, 5.6 % Ti from 36m to 44m (unweathered zone)**

MGA31 and MGA35 are located 130m apart along the same magnetic feature which has an inferred strike length based on magnetic patterns of approximately 600m. The thickness and attitude of this magnetite body is yet to be established.

Magnetic Separation Test-work

A 3 kg sample from MGA031 (46-47m) was submitted to Nagrom & Co, Perth for magnetic separation test-work. The raw drill cuttings were screened and divided into four size fractions. Each size fraction was then separated by applying a range of magnetic field strengths.

The results of this work indicate that at a low magnetic field strength (300 gauss) highly susceptible magnetite is removed in large quantities; > 70 % by weight of each size fraction is extracted. The Fe₂O₃, TiO₂ and V₂O₅ contents for these extracts are high and warrant further investigation.

Additional magnetic separation test-work is being undertaken on four samples submitted to Amdel Laboratories, Adelaide. These results are expected in the mid-April.

Petrology

A representative sample of drill cuttings collected from MGA35 (42-44m) was submitted to Pontifex & Associates for petrological examination. The findings from this work indicate the presence of abundant oxide minerals (magnetite and ilmenite) ranging in size from 0.25mm to 2.5mm. The most abundant minerals consist of 1) irregular coarse granular titaniferous magnetite (~30%) commonly with intergrown ilmenite, and 2) variably coarse bladed to irregularly granular ilmenite (~15%).

Further Work

Once the additional metallurgical test-work is completed the Company intends to commence discussions with parties interested in participating in this project by completing a drill-out of the mineralised zone, to establish an initial resource estimate and produce a scoping study of the project parameters.

BOWGAN PROJECT, NORTHERN TERRITORY
(100% MARENGO)

Target – Gold, Uranium & Diamonds

The Company continues to move forward on this project with the granting of an authorisation for the Bowgan Project under Section 35 of the N.T. Mine Management Act. The Company can now proceed with its planned field activities subject to a consultation process with the registered native title claimants. This process is well advanced and the Company expects that it can finalise an Exploration and Mining Agreement in the next quarter. If this is the case, field activities including drilling should commence by mid-year. This project is located approximately 300 kilometres northeast of Tennant Creek within the Murphy Inlier. The Murphy Inlier is an extension of the world-class northern Australian uranium province and contains several deposits of uranium, gold and copper, including the Westmoreland uranium deposit and the Eva uranium-gold deposit.

Marengo's focus is unconformity hosted gold - uranium mineralisation (Coronation Hill style) and the main target is a well defined coincident magnetic and electromagnetic anomaly located along the Fish River Fault. This direct drill target has never been tested and geophysical modelling indicates a shallow depth to target of approximately 50 metres. The exploration strategy is to ground check the main target followed soon after by drill testing.

The tenement area is also considered highly prospective for diamonds as it contains the Conjula Diamond Prospect and a number of other sites with positive indicators including the recovery of macro-diamonds and micro-diamonds. The Company intends to seek a farm-in partner to further explore the demonstrated diamond potential.

PROJECT LOCATION MAP



OTHER PROJECTS (WESTERN AUSTRALIA)

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

No field work was undertaken during the quarter.

A number of circular structures (some with coincident topographical features) occur along the same northwesterly trending structural corridor, which hosts the previously tested Blanche Pipe. These features represent viable kimberlite targets and investigation of these will be carried out when the remaining exploration licence applications are granted.

BINNERINGIE PROJECT, YILGARN BLOCK, WA (100% MARENGO) *Target – Base metals & precious metals*

No field work was undertaken during the quarter.

Previous drilling on this project failed to locate any zones of significant mineralisation and it is intended to divest this project during the current quarter.

ASHBURTON PROJECTS, ASHBURTON DISTRICT, WA (100% MARENGO) *Target – Gold & base metals*

No field work was undertaken during the quarter.

A review of work undertaken to date was completed and the prospectivity of the various Ashburton project areas was rated against the Company's other Australian and newly acquired Papua New Guinea projects.

Although the Saltwater Pool licence has several untested gold anomalies (drilling deferred pending heritage clearance), work to date indicates that the Ashburton region does not offer the Company sufficient encouragement to divert funds away from its potentially more rewarding projects, as detailed in this report.

Some peripheral tenements at Saltwater Pool and Kunderong have been withdrawn and the Company will move to divest the remaining project tenements during the current quarter, with the exception of the Jamie Bore area, which remains the subject of an agreement with Poondano Exploration Pty Ltd for iron ore exploration.

MT KORONG PROJECT, LAVERTON DISTRICT, WA

The Mt Korong tenements were surrendered during the quarter.

Finance

CASH AT BANK

At the end of the quarter the company had cash reserves of A\$1.8M.

Corporate

NEW SUBSIDIARY INCORPORATED

As part of the Company's focus on Papua New Guinea, a wholly owned subsidiary, Marengo Mining (PNG) Limited has been incorporated (under the Companies Act of Papua New Guinea).

This company will hold all mining and exploration tenements and joint venture interests in Papua New Guinea.

SUBSTANTIAL SHAREHOLDERS

During the quarter the Company received no substantial shareholder notices (refer to Corporate Directory for current major shareholders).

ONLINE SHARE REGISTER

Shareholders can now access their share details at Security Transfer Registrar's website at www.securitytransfer.com.au.

Corporate Directory

BOARD OF DIRECTORS

John Horan	Chairman
Les Emery	Managing Director (Email: lese@marengomining.com)
Ron Smit	Exploration Director (Email: rons@marengomining.com)
Dennis Wilkins	Finance Director
Doug Dunnet	Non-Executive Director

COMPANY SECRETARY

Dennis Wilkins

ISSUED SHARE CAPITAL

Fully Paid Shares: 33,250,377
(ASX Code: MGO)

Listed Options (20 cents expiring 28/02/08):
13,497,746
(ASX Code: MGOO)

MAJOR SHAREHOLDERS

Current major shareholders are:

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

REGISTERED OFFICE

Level 2
9 Havelock Street
WEST PERTH WA 6005

(PO Box 289, WEST PERTH WA 6872)

Phone: (61 8) 9429 0000
Fax: (61 8) 9429 0099

Website: www.marengominig.com
Email: marengo@marengominig.com

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

(PO Box 535, APPLECROSS WA 6953)

Phone: (61 8) 9315 2333
Fax: (61 8) 9315 2233
Website: www.securitytransfer.com.au
Email: registrar@securitytransfer.com.au



Les Emery
Managing Director

6 April 2005

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.