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NOTICE OF MEETING,

MANAGEMENT INFORMATION CIRCULAR

and

FORM OF PROXY

for the

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF

MARENGO MINING LIMITED

to be held on January 14, 2014

As at and dated November 26, 2013

The 2013 Annual Financial Statements and MD&A may be viewed on

the Company's website at ***www.marengomining.com***

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

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MARENGO MINING LIMITED

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of Marengo Mining Limited (the "**Company**") will be held at the offices of Bennett Jones LLP, Suite 3400, One First Canadian Place, Toronto, Ontario, Canada at 10:00 a.m. (Toronto time) on Tuesday, January 14, 2014, for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended June 30, 2013, together with the report of the auditor thereon;

2. to elect directors of the Company for the ensuing year;

3. to appoint the auditor of the Company for the ensuing year and to authorize the directors to fix the remuneration thereof;

4. to consider and, if deemed appropriate, to approve, with or without variation, a resolution to confirm and ratify an amendment to By-Law No. 1 of the Company, as more particularly described in the accompanying management information circular of the Company;

5. to consider and, if deemed appropriate, to approve, with or without variation, a resolution approving: (A) the issuance to Sentient Global Resources Fund IV, L.P. ("**Sentient**") of 9.0% senior unsecured convertible debentures of the Company ("**Debentures**"), in the principal amount of $US27,509,621, with a conversion price of Cdn$0.02 per common share of the Company, and a maturity date of June 30, 2016, in exchange for (i) the termination of a US$10,000,000 working capital debt facility, dated February 6, 2013, between the Company and Sentient, plus accrued and unpaid interest thereon of US$387,766 (the "**Sentient Loan**"), (ii) the cancellation of the currently outstanding US$17,121,855 principal amount of senior unsecured debentures issued by the Company to Sentient, which includes all fees and unpaid interest payable thereof, and (iii) a support letter from Sentient to the Company's auditors confirming that Sentient will ensure that the Company has sufficient funds to maintain solvency through the time period required by the Company's auditors; and (B) certain conversion price adjustment provisions of the Debentures; all as more particularly described in the accompanying management information circular of the Company; and

6. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Particulars of the foregoing matters are set forth in the accompanying management information circular. The directors of the Company have fixed the close of business on November 26, 2013 as the record date for the determination of the shareholders of the Company entitled to receive notice of, and to vote at, the Meeting.

DATED this 26th day of November, 2013.

BY ORDER OF THE BOARD

(Signed) *Les Emery*
President and Chief Executive Officer

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the accompanying form of proxy in the enclosed return envelope. All instruments appointing proxies to be used at the Meeting or at any adjournment thereof must be deposited in accordance with the instructions set out under the heading *"Appointment of Proxies"* in the accompanying management information circular, not later than 10:00 a.m. (Toronto time) on January 10, 2014 or the second to last business day preceding the date of any adjournment of the Meeting or, failing that, subject to the discretion of the chairman of the Meeting to waive the delivery deadline, with the chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

Only registered shareholders of the Company, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. For information with respect to shareholders who own their common shares of the Company beneficially through an intermediary, see *"Non-Registered Shareholders"* in the accompanying management information circular.

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MARENGO MINING LIMITED

INFORMATION CIRCULAR
MANAGEMENT SOLICITATION

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This management information circular includes certain "**forward-looking statements**" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this management information circular that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements.

When used in this management information circular, the words "**estimate**", "**plan**", "**anticipate**", "**expect**", "**intend**", "**believe**" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Examples of such forward looking statements include statements regarding results and expectations for 2014 and future time periods, including, but not limited to, availability of financing, interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, metal prices, demand for metals, currency exchange rates, cash operating margins, expenditures on property, plant and equipment, increases and decreases in exploration activity, changes in project parameters, resources and anticipated grades and recovery rates and are or may be based on assumptions and/or estimates related to future economic, market and other factors and conditions.

MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxies

This management information circular is furnished in connection with the solicitation of proxies by the management and all of the directors of MARENGO MINING LIMITED. (the "**Company**" or "**Marengo**") for use at the annual and special meeting (the "**Meeting**") of the shareholders of the Company (the "**Shareholders**") to be held at the offices of Bennett Jones LLP, Suite 3400, One First Canadian Place, Toronto, Ontario, Canada on Tuesday, January 14, 2014 at 10:00 a.m. (Toronto time) and at all adjournments thereof for the purposes set forth in the accompanying notice of the Meeting (the "**Notice of Meeting**"). The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Company. Directors, officers and employees of the Company will not receive any extra compensation for such activities. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders in favour of the matters set forth in the Notice of Meeting. The Company may pay brokers or other persons holding common shares of the Company ("**Common Shares**") in their own names, or in the names of nominees, for their reasonable expenses for sending forms of proxy and this management information circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of any such solicitation will be borne by the Company.

No person is authorized to give any information or to make any representation other than those contained in this management information circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company. The delivery of this management information circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

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Appointment of Proxies

A registered Shareholder of the Company may vote in person at the Meeting or may appoint another person to represent such Shareholder as proxy and to vote the Common Shares of such Shareholder at the Meeting. In order to appoint another person as proxy, such Shareholder must complete, execute and deliver the form of proxy accompanying this management information circular, or another proper form of proxy, in the manner specified in the Notice of Meeting or deposit the completed and executed form of proxy with the chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

The persons named in the form of proxy accompanying this management information circular are directors and/or officers of the Company. A Shareholder has the right to appoint a person (who need not be a Shareholder), other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such Shareholder at the Meeting and at any adjournment thereof. Such right may be exercised by either striking out the names of the persons specified in the form of proxy and inserting the name of the person to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy in accordance with the below instructions or failing that, subject to the discretion of the chairman of the Meeting, to waive the delivery deadline, by depositing the completed and executed form of proxy with the chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

The proxy to be acted upon must be delivered:

1. in respect of Shareholders registered on the Company's Canadian register, prior to 10:00 a.m. (Toronto time) on January 10, 2014, by mail or delivery to Computershare Investor Services Inc, at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 or by facsimile at 1 866 249 7775.

2. in respect of Shareholders registered on the Company's Australian share register, prior to 10:00 a.m. (Toronto time) on January 10, 2014 by:

   (i) facsimile to the Company at (08) 9429 0099 (International +61 8 9429 0099) or to Computershare Investor Services Pty Ltd at 1 800 783 447 (International: +61 3 9473 2555); or

   (ii) delivery to Ground Floor, 20 Kings Park Road, West Perth, Western Australia 6005 or Computershare Investor Services Pty Ltd at Level 1, 45 St George's Terrace, Perth, Western Australia 6000; or

   (iii) mail to the Company at PO Box 289, West Perth, Western Australia 6872 or Computershare Investor Services Pty Ltd at GPO Box 242, Melbourne, Victoria 3001 (reply paid envelope);

3. in respect of Shareholders registered on the Company's Papua New Guinea register, not later than 48 hours prior to the Meeting, or any adjournment thereof (excluding Saturdays, Sundays and holidays) by mail to PNG Registries Level 2, AON Haus McGregor Street, Port Moresby**,** PO Box 1265, Port Moresby, NCD, Papua New Guinea or by facsimile 675 321 6379.

To vote by telephone, call the toll-free number shown on the Form of Proxy. Using a touch-tone telephone to select your voting preferences, follow the instructions of the "vote voice" and refer to the directions on the Form of Proxy. Note that voting by telephone is not available if you wish to appoint a person as a proxy holder other than the persons named on the Form of Proxy. In such a case, your proxy should be voted by mail, delivery or the Internet.

To vote your proxy on the Internet, visit the website address as shown on the Form of Proxy. Follow the on-line voting instructions given on the Form of Proxy.

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Holders of Chess Depositary Interests

Holders of Chess Depositary Interests ("**CDIs**") are invited to attend and speak at the Meeting but may only vote by directing CDN to cast votes in the manner directed in the CDI Voting Instruction Form enclosed. CDI holders may instruct CDN to appoint the CDI holder or a person nominated by the holder as the holder's proxy for the purposes of attending and voting at the Meeting.

The CDI Voting Instruction Form, together with any power of attorney or other authority (if any) under which it is signed, or a notary certified copy thereof, must be completed, signed and returned to:

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
PERTH WA 6000, AUSTRALIA
Facsimile: +61 8 9323 2033

so as to arrive no later than 10:00 a.m. (Toronto time) on January 10, 2014 or, if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays and holidays) prior to the adjourned meeting. You must be registered as the holder of CDIs as at November 26, 2013 for your CDI voting instruction to be valid.

Holders of PETS Depositary Interests

Holders of PETS Depositary Interests ("**PDIs**") are invited to attend and speak at the Meeting but may only vote by directing PDN to cast votes in the manner directed in the PDI Voting Instruction Form enclosed. PDI holders may instruct PDN to appoint the PDI holder or a person nominated by the holder as the holder's proxy for the purposes of attending and voting at the Meeting.

The PDI Voting Instruction Form, together with any power of attorney or other authority (if any) under which it is signed, or a notary certified copy thereof, must be completed, signed and returned to:

PNG Registries Limited
Level 2, AON Haus McGregor Street Port Moresby
P.O. Box 1265, Port Moresby, NCD,
PAPUA NEW GUINEA
Facsimile: +675 321 6379

so as to arrive no later than 10:00 a.m. (Toronto time) on January 10, 2014 or, if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays and holidays) prior to the adjourned meeting. You must be registered as the holder of PDIs as at November 26, 2013 for your PDI voting instruction to be valid.

Revocation of Proxies

A registered Shareholder of the Company who has given a proxy may revoke the proxy at any time prior to use by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered Shareholder is a corporation, by an authorized officer or attorney thereof at the relevant Share Registrar for your jurisdiction at any time at any time prior to 10:00 a.m. (Toronto time) on the second to last business day preceding the day of the Meeting or any adjournment thereof, or (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; (b) transmitting, by telephonic or electronic means, a revocation that complies with clause (i) or (ii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such registered Shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

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Exercise of Discretion by Proxies

The Common Shares represented by an appropriate form of proxy will be voted on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions contained on the form of proxy. **In the absence of instructions, such Common Shares will be voted in favour of each of the matters referred to in the Notice of Meeting.**

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date hereof, management of the Company knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Company should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy thereon.

Signing of Proxy

The form of proxy must be signed by the Shareholder or the duly appointed attorney thereof authorized in writing or, if the Shareholder is a corporation, by an authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the Shareholder of the Company or in some other representative capacity, including an officer of a corporation which is a Shareholder of the Company, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Company. A Shareholder of the Company or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Shareholder or by or on behalf of his or her attorney, as the case may be.

Non-Registered Shareholders

Only registered Shareholders of the Company, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. The Common Shares of a non-registered Shareholder (a "**Non-Registered Shareholder**") who beneficially owns Common Shares will generally be registered in the name of either:

(a) an intermediary (an "**Intermediary**") with whom the Non-Registered Shareholder deals in respect of the Common Shares (including, among others, banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or

(b) a clearing agency (such as CDS Clearing and Depository Services Inc., in Canada, and the Depositary Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this management information circular and the accompanying form of proxy (collectively the "**Meeting Materials**") to the Intermediaries for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will be given either:

(a) a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

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Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

(b) a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form.

Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the form of proxy is to be delivered.

A Non-Registered Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Common Shares of such Non-Registered Shareholder are held and following the instructions of the Intermediary respecting the revocation of proxies.

This management information circular is being sent to both registered Shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder and the Company or its agent has sent this management information circular directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

The Company is not using "notice-and-access" to send its proxy-related materials to its Shareholders, and paper copies of such materials will be sent to all Shareholders. The Company will not send proxy-related materials directly to non-objecting Non-Registered Shareholders and such materials will be delivered to non-objecting Non-Registered Shareholders through their Intermediary. The Company intends to pay for an Intermediary to deliver to objecting Non-Registered Shareholders the proxy-related materials and Form 54-101F7 "Request for Voting Instructions Made by Intermediary" of National Instrument 54-101.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Description of Share Capital

The Company is authorized to issue an unlimited number of Common Shares, of which there were 1,137,870,521 Common Shares outstanding as of the close of business on November 26, 2013, the record date for voting at the Meeting. Each Common Share entitles the holder of record thereof to one vote at all meetings of the shareholders of the Company. The Company is also authorized to issue an unlimited number of preference shares, of which there were none outstanding as of the close of business on November 26, 2013.

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Record Date

The directors of the Company have fixed November 26, 2013 as the record date for the determination of the shareholders of the Company entitled to receive notice of and vote at the Meeting. Shareholders of the Company of record at the close of business on November 26, 2013 will be entitled to vote at the Meeting and at all adjournments thereof.

Ownership of Securities of the Company

As of November 26, 2013, to the knowledge of the directors and officers of the Company, no person, firm or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Company carrying more than 10% of the voting rights attaching to any class of voting securities of the Company, except as disclosed below:

Name of Shareholder	Number of Common Shares Owned	Percentage of Issued and Outstanding Common Shares
Sentient Executive GP IV, Limited, Sentient Executive GP II, Limited and Sentient Executive GP III, Limited (related entities, collectively, the "**Sentient Group**" or "**Sentient**")	249,953,080	21.97%(1)
National Nominees Limited	157,636,480	13.85%

Notes:

(1) The Sentient Group is currently the holder of Outstanding Debentures (as defined below) which are convertible into Common Shares of the Company as more particularly described below. If the Transaction (as defined below) is completed as more particularly described herein, and New Debentures (as defined below) are issued to Sentient, then assuming the conversion into Common Shares of the New Debentures, the New Interest Debentures and the Additional Interest Debentures (each as defined below), the Sentient Group would be issued an additional 1,815,755,451 Common Shares, for a total of 2,065,708,531 Common Shares owned, representing approximately 69.94% of the then issued and outstanding Common Shares.

BUSINESS OF THE MEETING

Issuance of New Debentures

At the Meeting, disinterested Shareholders of the Company will be asked to consider and, if deemed appropriate, to pass the New Debentures Resolution (as defined below).

The Sentient Group has agreed to a transaction pursuant to which the Sentient Loan (as defined below) and the Outstanding Debentures (as defined below) will be restructured (the "**Transaction**") so that the Sentient Loan will be converted into, and the Outstanding Debentures will be exchanged for (including, in each case, all interest and fees payable thereunder) US$27,509,621 principal amount of 9% unsecured convertible debentures (the "**New Debentures**"). The New Debentures will have the same characteristics as the Outstanding Debentures, other than in respect of the Conversion Price (as defined below), all as more particularly described under *"Description of the New Debentures"* below.

Pursuant to the rules of the TSX, Shareholder approval must be obtained for private placements for an aggregate number of listed securities issuable greater than 25% of the number of securities of the issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price. Disinterested Shareholder approval is also required for private placements that, during any six month period, are to insiders of the issuer for common shares or options, rights of other entitlements to common shares greater than 10% of the number of common shares of the issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an insider during such six month period. See *"Regulatory Requirements – TSX Requirements – Section 607(g)"*.

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Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), requires that, in addition to any other security holder approval, unless exempted, a related party transaction must be approved by at least a simple majority of the votes cast by "minority" shareholders of each class of affected securities, voting separately as a class. See "*Regulatory Requirements – Multilateral Instrument 61-101 Requirements*".

The Company also seeks shareholder approval of the New Debentures (as defined below) for the purposes of Listing Rule 7.1 of the Listing Rules of the Australian Securities Exchange (the "**ASX Listing Rules**"). Further information on this is set out below.

Approval of the shareholders of the Company will also be sought at the Meeting in respect of certain provisions of the New Debentures (as defined below) relating to conversion rights.

Background

Loan Agreement

Pursuant to a loan agreement dated February 6, 2013, as amended, between the Company, Yandera Mining Company Limited ("**YMCL**"), and Marengo Mining (PNG) Limited ("**MMPL**", and together with YMCL, the "**PNG Subsidiaries**") and the Sentient Group, Sentient provided the Company an unsecured interest-bearing working capital debt facility in the aggregate principal amount of US$10,000,000 (the "**Sentient Loan**") due December 31, 2013. As of the date of this management information circular, the Company has drawn the full amount of the Sentient Loan. Under the terms of the Sentient Loan, payment of interest thereof can be made through the issuance of Sentient Interest Debentures (as defined below) and there is US$387,766 in accrued and unpaid interest owing under the Sentient Loan as of the date of this management information circular.

In accordance with applicable TSX rules, at the special meeting of Shareholders held on July 11, 2013 (the "**July Meeting**"), the Shareholders (excluding Sentient) approved the issuance of US$1,000,000 aggregate principal amount of debentures to satisfy the Company's obligation to pay interest under the Sentient Loan to August 6, 2013 ("**Sentient Interest Debentures**"). Interest which may become payable on the Sentient Loan from August 7, 2013 to expiry is payable either in cash, or in up to an additional US$698,356.16 aggregate principal amount of additional Interest Debentures to Sentient.

The principal amount of the Sentient Loan remains outstanding.

Debentures

On May 27, 2013, the Company, YMCL and MMPL, entered into a debenture purchase agreement (the "**Debenture Purchase Agreement**") with Sentient in respect of a non-brokered private placement of up to US$15,000,000 aggregate principal amount of 9% unsecured convertible debentures (the "**Debentures**") to Sentient, issuable in tranches (the "**Offering**").

The Debenture Purchase Agreement also provided for the payment by the Company of a fee (the "**Establishment Fee**") of 2% of the principal amount of the Debentures issued under the Offering payable through the issuance of additional Debentures (the "**Establishment Fee Debentures**"). In addition, under the terms of the Debenture Purchase Agreement, the Company and Sentient agreed that the Company would satisfy its obligation to pay all interest payable under the Debentures and Establishment Fee Debentures through the issuance of additional Debentures (the "**Interest Debentures**") to Sentient. In accordance with applicable TSX rules, at the July Meeting, the Shareholders (excluding Sentient) ratified and approved, as applicable, the issuance of the Debentures, the Establishment Fee Debentures and the Interest Debentures.

On May 30, 2013, the Company completed the closing of the first and second tranches of the Offering by issuing an aggregate of US$9,000,000 principal amount of Debentures to Sentient. In addition, the Company paid to Sentient the applicable Establishment Fee, being US$180,000 aggregate principal amount of Establishment Fee Debentures. On August 12, 2013 (the "**Third Closing Date**"), the Company completed the closing of the third tranche of the

Offering by issuing US$6,000,000 principal amount of Debentures to Sentient. In addition, the Company paid to Sentient the applicable Establishment Fee, being US$120,000 aggregate principal amount of Establishment Fee Debentures. The Debentures, the Establishment Fee Debentures and the Loan Debentures, are collectively referred to in this management information circular as the "**Outstanding Debentures**".

The following table summarizes the principal terms of the Outstanding Debentures:

Type of debenture	Principal Amount Outstanding (US$)	Accrued and Unpaid Interest (US$)[1][2]	Maturity Date	Conversion Price[2]
Debentures	15,000,000	766,752	June 30, 2016	0.11
Establishment Fee Debentures	300,000	15,335	June 30, 2016	0.11
Sentient Interest Debentures	1,000,000	39,768	June 30, 2016	0.11
TOTAL	**16,300,000**	**821,855**	-	-

Notes:

(1) Interest is payable semi-annually in arrears on April 30 and October 30 of each year, commencing on the respective dates of issuance of the Outstanding Debentures, until their maturity date of June 30, 2016**.** Payable with the issuance of additional Interest Debentures.

(2) Subject to customary anti-dilution adjustment provisions. The Outstanding Debentures may be converted into Common Shares or CDIs at the option of Sentient.

On October 1, 2013, the Company received a proposal from Sentient outlining the basis on which Sentient was prepared to provide financial support to the Company and agree to restructure the Sentient Loan and the Outstanding Debentures, including all interest and fees payable, into New Debentures (as defined below). The Board of Directors of the Company (the "**Board**") formed a committee (the "**Special Committee**") of independent directors to review and consider the proposal from Sentient and any alternatives to the proposal. The Special Committee explored alternatives to the Sentient proposal and the availability of superior terms from Sentient to those on offer. Following these discussions and meetings the Special Committee reported its findings to the Board. On November 25, 2013, the Board met and considered the principal terms of the proposed Transaction with Sentient and the findings of the Special Committee. At this meeting the Board received advice from its legal counsel Bennett Jones LLP and its financial advisors GMP Securities L.P. ("**GMP**").

Following further discussion of the proposed Transaction, the Board unanimously approved the entering into of the Debt Exchange Agreement (as defined below) **and resolved to recommend that the shareholders of Marengo vote in favour of the approval of the transaction. Following confirmation of approval by the board of directors of Sentient, and receipt by the Company of the GMP Opinion (as defined below), the Debt Exchange Agreement (as defined below) was entered into on November 29, 2013, following which Marengo issued a press release announcing the Transaction.**

Description of the New Debentures

Pursuant to the terms of a loan conversion and debt exchange agreement, dated November 29, 2013, between Sentient, the Company and the PNG Subsidiaries (the "**Debt Exchange Agreement**"), the Company has agreed to issue to Sentient an aggregate of US$27,509,621 principal amount of 9% unsecured New Debentures, in exchange for the agreement of Sentient to (i) the conversion of the Sentient Loan into, and the exchange for cancellation of the Outstanding Debentures (including, in each case, all interest and fees payable thereunder) for, New Debentures, and (ii) the delivery by Sentient of a support letter from Sentient to the Company's auditors confirming that Sentient will ensure that the Company has sufficient funds to maintain solvency through the time period required by the Company's auditors (the "**Support Letter**"). Interest accrued on the New Debentures may be paid through issuance of additional debentures ("**New Interest Debentures**"). Interest on such New Interest Debentures may also be paid through issuance of additional debentures (the "**Additional Interest Debentures**"). If and when issued, the New Interest Debentures and Additional Interest Debentures will be issued on the same terms as the New Debentures.

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The following is a summary of certain material terms of the New Debentures, the form of which is included as Exhibit A to the Debt Exchange Agreement, a copy of which is available on SEDAR at www.sedar.com. This summary does not contain all of the information about the New Debentures. The rights and obligations of the parties to the New Debentures are governed by the express terms of the New Debentures and not by this summary or any other information in this management information circular.

Maturity

The New Debentures will have the same maturity date as the Outstanding Debentures, June 30, 2016 (the "**Maturity Date**").

Subordination

The New Debentures are unsecured obligations of the Company, YMCL and MML, rank *pari passu* with all existing and future unsecured indebtedness of the Company, YMCL and MML, and will be effectively subordinated to all future secured debt of the Company, YMCL and MML to the extent of the assets securing such debt.

Under the terms of the New Debentures, in the event that any of the Company, YMCL or MML incur any debt or issue any preferred securities or any convertible instruments on materially preferential terms for such lenders or subscribers to the terms of the New Debentures, subject to any applicable regulatory approvals, the terms of such New Debentures will be adjusted or replaced to match such preferential terms or otherwise provide equivalent compensation to Sentient.

Guarantees

The obligations of the Company, YMCL and MML under the New Debentures are guaranteed by each of Marengo Mining (Australia) Limited and Yandera Mining Company (Holdings) Pty Limited**.**

Payment of Interest

The New Debentures will bear interest at a rate of 9% per annum, payable semi-annually in arrears on April 30 and October 30 of each year, commencing on April 30, 2014 until the Maturity Date. The April 30, 2014 interest payment will represent accrued interest from the applicable closing date up to but excluding April 30, 2014. Interest on the New Debentures will be payable through the issuance of New Interest Debentures and Additional Interest Debentures of the Company.

Conversion Right

Each US$1,000 principal amount of New Debentures may be converted into Common Shares or CDIs at the option of Sentient (the "**Conversion Right**") at a price of CDN$0.02 per Common Share (the "**Conversion Price**"), subject to customary anti-dilution adjustment provisions. On the date of conversion, the outstanding principal amount of New Debentures, New Interest Debentures or Additional Interest Debentures, as applicable, elected by Sentient to be converted into Common Shares shall be deemed to be converted into Canadian dollars using the Bank of Canada noon spot rate on November 28, 2013, which was 1.0593.

If Sentient were to exercise its Conversion Right in respect of all New Debentures, as well as is respect of all New Interest Debentures and Additional Interest Debentures which may be issued pursuant to the Transaction, Sentient would hold approximately 2,065,708,531 Common Shares, representing approximately 69.94% of the then issued and outstanding Common Shares.

Conversion Price Adjustment Provision

At the Meeting, shareholders of the Company will be asked to approve the Conversion Price Adjustment Provision as part of the New Debentures Resolution.

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If the Company, at any time or from time to time prior to conversion of the entire principal amount of the New Debentures into Common Shares and other than pursuant to an Excluded Transaction (as such term is defined in the Debt Exchange Agreement), issues any Common Shares or Common Share Equivalents (as such term is defined in the Debt Exchange Agreement) at a price per Common Share (the "**New Issue Price**") that is less than the Conversion Price, other than any issuance for which an adjustment is made pursuant to another provision of the New Debenture, then, and in each such case, the Conversion Price will be adjusted to equal the New Issue Price (the "**Conversion Price Adjustment Provision**"). In the case of the issuance of any Common Share Equivalent, the New Issue Price is calculated as (A) the sum of the price for such Common Share Equivalent plus any additional consideration payable (without regard to any anti-dilution adjustments) upon the conversion, exchange or exercise of such Common Share Equivalent divided by (B) the number of Common Shares initially underlying such Common Share Equivalent.

If all of the New Debentures issued in connection with the Transaction (including all New Interest Debentures and Additional Interest Debentures) were converted to Common Shares, without giving effect to any Conversion Price Adjustment Provisions, the Company would be required to issue 1,815,755,451 Common Shares (which represents approximately 159.57% of the current issued and outstanding Common Shares).

If all of the New Debentures, New Interest Debentures and Additional Interest Debentures issuable in connection with the Transaction were converted to Common Shares, after giving effect to the Conversion Price Adjustment Provision, the Company would be required to issue the following number of Common Shares in order to satisfy its obligations under the Transaction:

Example New Issue Price	**Approximate Number of Common Shares Issuable on Conversion of the debentures, after giving effect to the Conversion Price Adjustment Provision[(1)(2)]**	**Percentage this represents of the total issued and outstanding Common Shares as of the date of this circular, after giving effect to the Conversion Price Adjustment Provision[(1)(2)(3)]**	**Total number of Common Shares held by Sentient, after giving effect to the Conversion Price Adjustment Provision[(1)(2)(4)]**	**Percentage of total issued and outstanding Common Shares held by Sentient, after giving effect to the Conversion Price Adjustment Provision[(1)(2)(3)(4)(5)]**
$0.01	3,631,510,902	319.15%	3,881,463,982	81.38%
$0.005	7,263,021,805	638.30%	7,512,974,885	89.43%

Notes:

(1) Assuming an outstanding amount of debentures (including New Debentures, Interest Debentures and Additional Interest Debentures) of US$34,282,176 (CDN$36,315,109 using the Bank of Canada noon spot rate on November 28, 2013, which was 1.0593).

(2) Adjusted for rounding.

(3) Assumes the total number of issued and outstanding Common Shares prior to giving effect to the Conversion Price Adjustment Provision is 1,137,870,521.

(4) Assumes the total number of Common Shares held by Sentient is 249,953,080.

(5) On a partially-diluted basis.

An adjustment under such provision shall be made whenever such Common Shares or Common Share Equivalents are issued, and shall become effective retroactively (i) in the case of an issuance to shareholders, as such, to a date immediately following the close of business on the record date for the determination of shareholders entitled to receive such Common Shares or Common Share Equivalents; and (B) in all other cases, on the date of such issuance.

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Regulatory Requirements

TSX Requirements – Section 607(g)

Pursuant to Section 607(g)(i) of the Company Manual, shareholder approval is required for private placements for an aggregate number of listed securities issuable greater than 25% of the number of securities of the issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction, if the price per security is less than the market price. Section 607(f)(iii) of the Company Manual also provides that in the case of a private placement of convertible securities (such as the New Debentures), the underlying listed securities will be considered as being issued at a price per security less than the market price, unless the conversion price of such convertible security is defined as at least market price at the time of conversion.

In addition, pursuant to Section 607(g)(ii) of the Company Manual, disinterested shareholder approval is required if during any six month period, private placements are made to insiders for common shares or options, rights or other entitlements to common shares for greater than 10% of the number of common shares issued and outstanding, on a non-diluted basis, prior to the date of the closing of the first private placement to an insider during such six month period.

The issuance of New Debentures would result in entitlements to Common Shares being issued to Sentient, an insider of the Company, greater than 10% of the Common Shares outstanding, on a non-diluted basis, within the six month period preceding the Third Closing Date. Accordingly, disinterested shareholder approval is required for the issuance of the New Debentures in accordance with the rules of the TSX. For the purposes of the rules of the TSX, the votes attaching to the 249,953,080 Common Shares held by Sentient, its associates and affiliates and each party who may be considered to be acting jointly or in concert with Sentient will be excluded from the calculation of shareholder approval in respect of the Resolutions. In addition, since certain of the New Interest Debentures and Additional Interest Debentures will be issued at a future date (i.e. when the interest on the New Debentures and the New Interest Debentures, as applicable, is due and payable), the set conversion price of CAD$0.02 may at such time be outside the permitted allowable discount mandated by the TSX. As a result, the TSX requires that shareholders approve the fixed conversion price of CAD$0.02.

The Common Shares issuable on conversion of the New Debentures, the New Interest Debentures and the Additional Interest Debentures will not receive final approval of the TSX until, among other things, shareholder approval for the New Debentures, the New Interest Debentures and the Additional Interest Debentures has been obtained. **The Company has applied for conditional approval from the TSX for the issuance of the New Debentures, the New Interest Debentures and the Additional Interest Debentures and for the listing of the Common Shares issuable on conversion of each such debentures on the TSX. The proposed listing will be subject to the Company fulfilling all of the requirements the TSX, including disinterested shareholder approval for the issuance of the New Debentures, the New Interest Debentures and the Additional Interest Debentures.**

ASX Listing Rules

ASX Listing Rule 7.1 broadly provides, subject to certain exceptions, that a company may issue equity securities (such as the New Debentures) up to 15% of its issued share capital in any 12 month period without shareholder approval. Shareholder approval is required where the issue (whether alone or in aggregate with other issues of equity securities made by the company in the past 12 months) would cause the company to breach the 15% limit.

Multilateral Instrument 61-101 Requirements

Sentient is a "related party" of the Company as Sentient is a person that has beneficial ownership of, and control or direction over, directly or indirectly, securities of the Company carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities. As a result, the issuance of the New Debentures, and, if applicable, the New Interest Debentures and the Additional Interest Debentures to Sentient pursuant to the Transaction is a "related party transaction" subject to the minority approval requirements of MI 61-101.

MI 61-101 also provides that in certain circumstances, unless exempted, an issuer proposing to carry out a related party transaction is required to obtain a formal valuation for the related party transaction from a qualified and independent valuator and to provide security holders with a summary of such valuation.

Minority Approval

MI 61-101 is intended to regulate certain transactions to ensure that all securityholders are treated in a manner that is fair, generally requiring enhanced disclosure, approval by a majority of shareholders excluding interested or related parties. MI 61-101 requires that, in addition to any other required securityholder approval, a related party transaction is subject to "minority approval" (as such term is defined in MI 61-101).

In relation to the Transaction, the "minority" shareholders of the Company are all shareholders other than Sentient, which is an "interest party" to the Transaction within the meaning of MI 61-101. As a result, any Common Shares beneficially owned, or over which control or direction is exercised by the Sentient Group and its directors and senior officers, must be excluded for purposes of determining whether minority approval has been obtained.

As of the date hereof, the Sentient Group owns 249,953,080 Common Shares, representing 21.97% of the issued and outstanding Common Shares as of November 26, 2013.

Formal Valuation Requirements

MI 61-101 provides that, unless an exemption is available, a reporting issuer proposing to carry out a related party transaction is required to obtain a formal valuation of the "affected securities" from a qualified and independent valuator and to provide the holders of the affected securities with a summary of that formal valuation. For the purposes of the Transaction, the Common Shares are considered "affected securities" within the meaning of MI 61-101. The formal valuation and fairness opinion of GMP in respect of the Company's Common Shares, dated November 28, 2013 (the "**GMP Opinion**"), is attached as Schedule "C" to this management information circular.

GMP Valuation and Fairness Opinion

The following is a summary only of the GMP Opinion. This summary is qualified in its entirety by, and should be read in conjunction with, the full text of the Formal Valuation attached to this management information circular as Schedule "C". The Formal Valuation describes, among other things, the assumptions made, methodologies used, matters considered and limitations on the review undertaken by GMP. **Shareholders are encouraged to read the Formal Valuation carefully in its entirety.**

The GMP Opinion was provided for the exclusive use of the special committee of the board of directors of the Company (the "**Special Committee**") and, other than as permitted by the GMP Opinion and the Engagement Agreement (as defined below), may not be used by any other person or relied upon by any other person other than the Special Committee and the Board or used for any other purpose, without the express prior written consent of GMP in each specific instance. The GMP Opinion is not intended to be and does not constitute a recommendation to the Board as to whether they should approve the Transaction, nor as a recommendation to any Shareholder as to how to vote or act at the Meeting or as an opinion concerning the trading price or value of any securities of the Company following the announcement or completion of the Transaction.

Engagement of GMP

GMP was first contacted by the Company on October 23, 2013, with respect to the Transaction. GMP was formally retained by the Special Committee pursuant to a letter agreement dated November 18, 2013 (the "**Engagement Agreement**") to prepare and deliver to the Special Committee a formal valuation and fairness opinion of the Company in accordance with the requirements of MI 61-101, and under the supervision of the Special Committee.

The Engagement Agreement provides for the payment of a fee to GMP upon delivery of the GMP Opinion to the Special Committee. None of the fees payable to GMP under the Engagement Agreement are contingent upon the conclusions reached by GMP in the GMP Opinion, or upon the completion of the Transaction. In addition, the Company has agreed to reimburse GMP for its reasonable expenses and to indemnify GMP in respect of certain

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liabilities that might arise out of its engagement. The fees payable to GMP pursuant to the Engagement Agreement are not financially material to GMP. No understandings or agreements exist between GMP, the Company and/or Sentient with respect to the provision of future financial advisory or investment banking services.

Subject to the terms of the Engagement Agreement, GMP has consented to the inclusion of the GMP Opinion in its entirety, in a form acceptable to GMP, acting reasonably, in this management information circular and documents filed with the securities commissions or similar regulatory authorities in each applicable province of Canada.

Credentials of GMP

GMP is a wholly-owned subsidiary of GMP Capital Inc., which is a publicly traded investment banking firm listed on the TSX with offices in Toronto, Calgary and Montreal, Canada, in New York, Dallas and Miami, U.S.A., in London, England and in Perth and Sydney, Australia. GMP is a leading independent Canadian investment dealer focused on investment banking and institutional equities sales and trading for corporate clients and institutional investors. As part of GMP's investment banking activities, GMP is regularly engaged in the valuation of securities in connection with mergers and acquisitions, public offerings and private placements of listed and unlisted securities and regularly engage in market making, underwriting and secondary trading of securities in connection with a variety of transactions. GMP is not in the business of providing auditing services and is not controlled by a financial institution.

The opinions expressed in the GMP Opinion are the opinions of GMP, and the form and content hereof has been approved for release by a group of professionals of GMP, each of whom is experienced in merger, acquisition, divestiture, fairness opinion and valuation matters.

Independence of GMP

Neither GMP nor any of its affiliated entities (as such term is defined for the purposes of the MI 61-101) is: (i) an associated or affiliated entity or issuer insider (as such terms are defined for the purposes of MI 61-101) of the Company; (ii) an advisor to the Company or Sentient in connection with the Transaction; (iii) a manager or co-manager of a soliciting dealer group for the Transaction (or a member of the soliciting dealer group for the Transaction providing services beyond the customary soliciting dealer's functions or receiving more than the per security or per security holder fees payable to the other members of the group); (iv) the external auditor of the Company, Sentient or any of their respective associates or affiliates; or (v) has a material financial interest in the completion of the Transaction.

GMP has not been engaged to provide any financial advisory services nor has it participated in any underwriting involving the Company or any of its associates or affiliates during the past 24-month period preceding the date GMP was first contacted in respect of the GMP Opinion.

GMP acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of the Company or any of its associates or affiliates, and, from time to time, may have executed or may execute transactions on behalf of such companies or other clients for which it may have received or may receive compensation. As an investment dealer, GMP conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Transaction, the Company, Sentient or their respective associated or affiliated entities.

The fees paid to GMP in connection with the Engagement Agreement do not give GMP any financial incentive in respect of the conclusions reached in the GMP Opinion or the outcome of the Transaction and are not financially material to GMP. No understandings or agreements exist between GMP and the Company or Sentient with respect to future financial advisory or investment banking business. GMP may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Company, Sentient or their respective associated or affiliated entities.

Assumptions and Limitations

In the GMP Opinion, GMP stated that with the approval of the Special Committee and as provided for in the Engagement Agreement, GMP relied upon, and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by GMP from public sources, or provided to GMP by the Company or its affiliates, associates or advisors, or otherwise obtained by GMP pursuant to their engagement (collectively, the "**Information**"). The GMP Opinion is conditional upon such completeness,

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accuracy and fair presentation of such Information. GMP's descriptions in the GMP Opinion of the Company and its respective assets, businesses and operations are derived from the Information that GMP obtained from the Company or its affiliates, associates or advisors or from publicly available sources. Subject to the exercise of GMP's professional judgement and except as expressly described in the GMP Opinion, GMP has not been requested to or attempted to verify independently the accuracy, completeness or fairness of the presentation of any such Information, data, advice, opinions and representations. GMP did not meet with the independent auditors of the Company in connection with preparing the GMP Opinion and assumed the accuracy and fair presentation of, and relied upon, the audited consolidated financial statements and the reports of the auditors thereon, as well as the unaudited interim financial statements of the Company.

With respect to the historical financial data, operating and financial forecasts and budgets provided to GMP concerning the Company and its business and relied upon in their financial analyses, GMP assumed that they have been reasonably prepared on the bases reflecting the most reasonable assumptions, estimates and judgements of management of the Company in regard to the Company's business, plans, taxation levels, financial condition and prospects of the Company.

GMP also assumed that all of the representations and warranties contained in the Debt Exchange Agreement were correct as of the date of the Debt Exchange Agreement and that the Transaction will be completed substantially in accordance with the terms of such agreement and all applicable laws and that the management information circular discloses all material facts relating the Transaction and satisfies all applicable legal requirements.

The Company represented to GMP, in a certificate of two senior officers of the Company dated November 28, 2013, among other things, that (i) the Information, data and other material (financial or otherwise) provided to GMP by or on behalf of the Company, including written information and information provided orally in discussions concerning the Company, including the materials referred to above under the heading "Scope of Review" were complete, true and correct as at the date the Information was provided to GMP and did not contain any untrue statement of a material fact in respect of the Company, its subsidiaries or the Transaction and did not omit to state a material fact in respect of the Company, its subsidiaries or the Transaction necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; and (ii) since the date on which the Information was provided to GMP, except as disclosed in writing to GMP, there had been no material change, financial or otherwise, in the financial condition, assets or liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries and no material change had occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material adverse impact on the conclusions provided in the GMP Opinion.

The GMP Opinion was rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date of the GMP Opinion and the conditions and prospects, financial and otherwise, of the Company and its respective subsidiaries, as they were reflected in the Information and as they were represented to GMP in discussions with the management and employees of the Company and its advisors. In GMP's analysis and in connection with the preparation of the GMP Opinion, GMP made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of either party involved in the Transaction.

Valuation

Definition of Fair Market Value

For purposes of the GMP Opinion and in accordance with MI 61-101, fair market value ("**Fair Market Value**") means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and each under no compulsion to act. GMP did not made any downward adjustment to the value of Common Shares to reflect the liquidity of the Common Shares, the effect of a transaction on the Common Shares, or whether or not the Common Shares form part of a controlling interest. Consequently, the GMP Opinion provides a conclusion on a per Common Share basis with respect to the Company's "en bloc" value, being the price at which all the Common Shares could be sold to one or more buyers at the same time.

Approach to Valuation

The GMP Opinion was prepared based upon techniques and assumptions that GMP considered appropriate in the circumstances for the purposes of arriving at an opinion as to the range of Fair Market Value of the Company.

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Valuation Methodologies

In determining the value of the Company, GMP considered three different valuation methodologies:

1. discounted cash flow ("**DCF**") approach;
2. comparable company analysis approach; and
3. precedent transaction approach.

Discounted Cash Flow Approach

The discounted cash flow approach involves calculating the present value of the unlevered, after-tax, free cash flows over the life of a mining asset, in this case the Yandera Copper-Molybdenum-Gold Project, Mandang Province, Papua New Guinea (the "**Yandera Project")**, utilizing a prescribed discount rate. Given the stage of development of the Yandera Project, particularly the lack of a scoping or feasibility study and the fact that several key items of the development strategy remain undecided, it was the view of GMP that the discounted cash flow approach would not yield reliable results, as such, GMP did not placed any reliance on this approach as part of the GMP Opinion.

Comparable Company Analysis

In the comparable company analysis approach GMP identified a universe of publicly listed comparable copper focused development stage companies; considering asset location, development stage, resource size, grade and presence of valuable by-products, among other factors, in the selection of the peer group. Given the stage of development of the Company's Yandera Project, particularly the pre-production nature of the project and lack of any detailed economic parameters on which to calculate a net asset value ("**NAV**"), we see the enterprise value/in-situ resource metric as the most appropriate metric with which to compare the group.

In deriving an implied Fair Market Value per Common Share, GMP applied the average EV / attributable copper equivalent resource to the Company's National Instrument 43-101, *Standards of Disclosure for Mineral Projects* compliant technical report on the Yandera Copper-Molybdenum-Gold Project, Mandang Province, Papua New Guinea prepared by Corvidae Pty Ltd as trustee for Ravensgate Unit Trust trading as Ravensgate, dated May 14, 2012.

In calculating the copper equivalent resource for each company in the peer group, GMP has assumed 100% recoveries and commodity prices in line with analyst consensus long term forecasts.

Precedent Transaction Analysis

The precedent transactions approach considers transaction valuations in the context of the purchase or sale of a comparable company or asset. The prices paid for copper development companies and assets and their implied multiples provide a general measure of relative value. Factors such as asset location, development stage, resource size, grade and presence of valuable by-products, as well as the spot price of copper and relevant by-products at the time of the transaction are all factors that should be considered in assessing comparability.

GMP reviewed and analyzed a range of both corporate and asset transactions having taken place in the copper sector over the preceding 24 months; however the lack of transactions concerning companies or assets of sufficient similarity to the Yandera Project or the Company lead GMP to the view that any such comparison would not lead to an accurate assessment of the Fair Market Value of the Company. As such, GMP did not place any reliance on precedent transactions as part of its GMP Opinion.

Valuation Conclusion

Based upon and subject to the foregoing and such other factors GMP considered relevant, GMP was of the opinion that, as of November 28, 2013, the Fair Market Value of the Common Shares is in the range of Cdn$0.0141 to Cdn$0.0207 per Common Share.

Fairness Opinion Conclusion

Based upon and subject to the matters stated in the GMP Opinion and subject to all matters stated in the GMP Opinion and such other matters as GMP considered relevant, GMP was of the opinion that, as of November 28, 2013, the Transaction is fair, from a financial point of view, to the Shareholders of the Company other than Sentient.

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Shareholder Approval

At the Meeting, Shareholders will be asked to approve the issuance of the New Debentures, the New Interest Debentures and the Additional Interest Debentures.

The Debenture Exchange Agreement contains provisions which require the Company to hold a special meeting of Shareholders to approve the issuance of the New Debentures, the New Interest Debentures and the Additional Interest Debentures in order to comply with the applicable TSX requirements. Closing of the transaction shall occur on a date within five (5) business days from the receipt of shareholder approval thereof. See *"Regulatory Requirements - TSX Requirements – Section 607(g)(ii)"*.

Completion of the Transaction is subject to standard closing conditions and approvals customary for a transaction of this type, including approval of each of the TSX and the ASX, as applicable, for the issuance of the New Debentures, the New Interest Debentures and the Additional Interest Debentures and the Common Shares issuable on conversion thereof and obtaining the requisite shareholder approvals.

Shareholder approval is also required under MI 61-101 for the issuance of the New Debentures, the New Interest Debentures and the Additional Interest Debentures to Sentient, as the Transaction constitutes a "related party transaction" subject to the minority approval pursuant to MI 61-101. See *"Regulatory Requirements - Multilateral Instrument 61-101 Requirements"*.

The Company is seeking shareholder approval under ASX Listing Rule 7.1 of the issue of the New Debentures in order to maintain the Company's power to issue further equity securities within the 15% limit during the next 12 months.

Exception 4 of ASX Listing Rule 7.2 provides that any issue of shares on conversion of convertible securities is exempted from the 15% limit under ASX Listing Rule 7.1 provided the Company complied with the ASX Listing Rules when it issued the convertible securities. If shareholders approve the issue of the New Debentures, any issue of Common Shares or CDIs on conversion of these New Debentures will not be counted in the 15% limit, shareholder approval will not be required for the issue of Common Shares or CDIs on conversion of the New Debentures.

The following information in relation to the New Debentures to be issued is provided to shareholders for the purposes of ASX Listing Rule 7.3:

(a) the maximum number of New Debentures the Company can issue is 27,510;

(b) the Company intends to issue the New Debentures on the date that is 5 business days after the date of the Meeting and in any event no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the ASX Listing Rules;

(c) the New Debentures will be issued on one date;

(d) the New Debentures will be issued with a face values of US$1,000 each;

(e) the New Debentures will be issued to Sentient;

(f) a summary of the terms of the New Debentures is set out above. The full terms are set out in Exhibit A to the Debt Exchange Agreement; and

(g) no funds will be raised from the issue.

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Resolution

At the Meeting, the disinterested Shareholders will be asked to consider and, if thought advisable, approve the following resolution (the "New Debentures Resolution"), the text of which is as follows:

NOW THEREFORE BE IT RESOLVED THAT:

(i) For the purposes of ASX Listing Rule 7.1 and all other purposes, the issuance of each of the New Debentures to Sentient; and

(i) the issuance of the New Interest Debentures and the Additional Interest Debentures to Sentient and the terms of the Conversion Price Adjustment Provision;

in each case, as defined and on such terms as more particularly described in the management information circular of the Company dated November 26, 2013, are hereby ratified, approved and authorized and any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

SENTIENT WILL ABSTAIN FROM VOTING ON THE FOREGOING RESOLUTION, THE APPROVAL OF A MAJORITY OF DISINTERESTED SHAREHOLDERS OF THE COMPANY IS THEREFORE SOUGHT.

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any person associated with those persons. However, the Company need not disregard a vote if the vote 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 the vote is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

For the purpose of this voting exclusion statement "associate" shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references occurring in Chapter 6 of the Corporations Act and on the basis that the Company is the "designated body".

A total of 249,953,080 Common Shares will be excluded from the vote to approve the New Debentures Resolution.

Directors' Recommendation

The Board of Directors of the Company believes that the New Debentures Resolution is in the best interest of the Company and its shareholders. **The Board recommends that all Shareholders of the Company vote FOR the** New Debentures Resolution**. The persons whose name appears in the attached form of proxy intend to vote FOR the New Debentures Resolution.**

INFORMATION WITH RESPECT TO SENTIENT AND ITS OWNERSHIP INTEREST IN THE COMPANY

Sentient Global Resources Fund IV, L.P. is a Cayman-based, ten-year closed-end private equity fund managed by the Sentient Group. The Sentient Group is an independent private equity investment firm specialising in the global resources industry. The Sentient Group is based in the Cayman Islands with subsidiary offices and affiliates in Sydney (Australia), Montreal (Canada), and Munich (Germany). The Sentient Group manages over US$2.7 billion in the development of metal, mineral and energy assets across the globe through its Cayman-based, private equity Sentient Global Resources Funds. Further information about Sentient can be found on its website www.sentientgroup.com.

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Assuming exercise by Sentient of the conversion right in respect of all of the Debentures issued in the Offering (including all Interest Debentures and all Establishment Fee Debentures) Sentient would own an aggregate of 2,065,708,531 Common Shares, representing approximately 69.94% of the then issued and outstanding Common Shares.

Under the terms of the Transaction, the principal amounts outstanding under each of (i) the Debentures, being US$15,000,000, (ii) the Establishment Fee Debentures, being US$300,000 and (iii) the Interest Debentures, being $1,000,000, including, in each case, all accrued and unpaid interest thereto in the aggregate amount of US$821,855 will be exchanged for; and (v) the Sentient Loan, being US$10,387,766 (including accrued and unpaid interest payable thereto) will be converted into, New Debentures, having an aggregate principal amount of US$27,509,621. Assuming exercise by Sentient of the Conversion Right in respect of the New Debentures, as well as all New Interest Debentures and Additional Interest Debentures which may be issued pursuant to the Transaction, Sentient would hold approximately 2,065,708,531 Common Shares, representing approximately 69.94% of the then issued and outstanding Common Shares.

ADDITIONAL MATTERS TO BE ACTED UPON AT THE MEETING

Receiving the Financial Statements

The financial statements of the Company for the financial year ended June 30, 2013 have been mailed to the Company's registered and beneficial Shareholders (except for such Shareholders who have requested not to receive them). At the Meeting, Shareholders and proxy holders will be given an opportunity to discuss the financial results with management. The financial statements are available on SEDAR at *www.sedar.com*.

Election of Directors

At the Meeting, shareholders of the Company will be asked to elect the seven nominees set forth below as directors for the ensuing year.

On January 11, 2013, the Company implemented a restructuring by way of a Scheme of Arrangement (the "**Scheme**"), which resulted in the re-domiciling of the Company from Australia to Canada under the name Marengo Mining Limited. Pursuant to the Scheme, the current wholly owned Australian subsidiary (Marengo Mining (Australia) Limited) was acquired by the Company effective January 11, 2013. In connection with the Scheme, the Company adopted by-laws which provide that each director elected will hold office until the close of the first annual meeting of the shareholders of the Company following his or her election unless his or her office is earlier vacated in accordance with the by-laws of the Company.

The persons named in the form of proxy accompanying this management information circular intend to vote FOR the election of the nominees whose names are set forth below, unless the Shareholder who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of directors of the Company. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director of the Company for the ensuing year, however, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this management information circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion.

The following table sets forth certain information regarding the seven nominees for election as directors of the Company, their principal occupation or employment during the last five years, the dates upon which the nominees became directors of the Company and the approximate number of Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of November 26, 2013:

Name, Position and Residence[1]	Principal Occupation	Date Became Director	Common Shares Owned or Controlled[1]
LESLIE EMERY[3] Western Australia, Australia	President and Chief Executive Officer of Marengo Mining Limited	April 23, 2002	5,935,000
SIR RABBIE NAMALIU[3] East New Britain, Papua New Guinea	Director of Kramer Ausenco (PNG), Kina Asset Management Limited, Bougainville Copper Limited and Kina Securities Limited and former member of PNG National Parliament	February 11, 2008	300,200
JOHN HICK[2][4][5] Ontario, Canada	Non-executive Chairman of the board of directors, Corporate Director and Consultant of Marengo Mining Limited	June 10, 2008	nil
ELIZABETH MARTIN[2][4] Ontario, Canada	Corporate director	June 10, 2008	nil
VINCENT (IAN) MASTERTON HUME[3][4] Sydney, Australia	Corporate director	October 4, 2012	nil
RICHARD WILLIAM (KEITH) MORRISON[2][5] Ontario, Canada	Chief Executive Officer of Gedex Inc. (private exploration data technology company)	October 4, 2012	nil
PIETER BRITZ[5] Sydney, Australia	Employee of Sentient Global Resources Fund IV, L.P	July 26, 2013	nil

Notes:

(1) The information as to residence, principal occupation is not within the knowledge of the management of the Company and has been furnished by the respective directors and officers.

(2) Member of the Audit and Risk Committee.

(3) Member of the Safety, Health and Environment Committee.

(4) Member of the Human Resources and Compensation Committee.

(5) Member of the Corporate Governance and Nominating Committee.

Mr. Les Emery has been involved in the Western Australian mining industry for more than 40 years and has experience in exploration, mining and corporate administration. Until June 2001, he was Managing Director of Lynas Corporation Limited (formerly Lynas Gold NL) for 15 years and was instrumental in the transition of that Company from explorer to gold producer with the development of the Lynas Find Gold Mine and the subsequent Paraburdoo Gold Project. In 1999, Mr. Emery negotiated the entry of Lynas Corporation into that company's now core business, the Mt Weld rare earths and tantalum/niobium project. Mr. Emery has been an executive or managing director of a number of listed Australian resource companies and has been instrumental in the transition of a number of companies from explorer to producer. Mr. Emery is also a past Vice President and Executive Councillor of the Association of Exploration and Mining Companies Inc (AMEC) and has served as a commissioned officer in the Australian Citizen Military Forces (now Army Reserve).

Sir Rabbie Namaliu served as Foreign Affairs and Immigration Minister in the Government of PNG from August 2002 to July 2006 and Minister for Treasury from July 2006 to August 2007. He served as Prime Minister between 1988-1992 and Speaker of the National Parliament between 1994-1997. He earlier served as Foreign Minister, 1982-1984 and has held several other senior Ministries including Primary Industry, and Petroleum and Energy since his first election to Parliament as MP for Kokopo (East New Britain) in 1982. As Foreign Minister for PNG in 1984, Sir Rabbie was President of the ACP Council of Ministers and Co-President of the ACP-EU Council of Ministers with the Foreign Minister for Ireland. He also chaired the Pacific Islands Forum Ministerial Committee on the proposed

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amalgamation of the Forum and Pacific Community in 1984, the other members being the Foreign Ministers of New Zealand and Tonga. Sir Rabbie had a distinguished public service career before entering Parliament. He was Chairman of the Public Services Commission from 1976-1979 and earlier served as Principal Private Secretary to the Chief Minister and then first Prime Minister, Sir Michael Somare from 1974-1975 and in 1976 he served as East New Britain Provincial Commissioner. He was a Senior Tutor and later Lecturer in History at the University of Papua New Guinea, and was the first Papua New Guinean graduate to be appointed to the University's academic staff. Sir Rabbie holds a Bachelor of Arts (BA) degree from University of Papua New Guinea, and a Master of Arts (MA) degree from the University of Victoria, British Columbia, Canada and an Honorary Doctorate of Laws (Hon.LLD) from the same University. Sir Rabbie has been Chancellor of the University of Vudal (PNG) from August 2007.

Mr. Hick was appointed Chairman of Marengo Mining effective June 30, 2013. Mr. Hick has over 30 years of experience in the mining industry in both senior management positions and as an independent director, during which he has spent the majority of his time based in Toronto, Canada. He is also an independent director of a number of TSX (or TSXV) listed mining companies including Carpathian Gold Inc., Diamond Estates Wines & Spirits Inc., Eurotin Inc., First Uranium Corporation, Hudson Resources Inc., International Minerals Corporation and St Andrew Goldfields Ltd. Previously Mr. Hick has held board and/or senior management positions with a number of other Canadian mining companies, including Medoro Resources Ltd., Defiance Mining Corp./Geomaque Explorations Ltd, Cambior Inc., Rio Narcea Gold Mines Ltd, Rayrock Resources Inc., Revett Minerals Inc., TVX Gold Inc. and Placer Dome Inc.

Ms. Elizabeth Martin is a Toronto-based, professional accountant with a strong background in international exploration and mining companies. She has held senior and executive financial management roles in base metal and precious metal companies such as Northgate Mines Inc., Western Mining Corporation Limited, IAMGOLD Corporation and High River Gold Mines Ltd. As an accredited member of the Institute of Corporate Directors, she is currently on the Board of Directors of Aura Minerals Inc., Sunnybrook Health Sciences Centre, Sunnybrook Research Institute as well as the HealthCare Insurance Reciprocal of Canada, all located in Toronto.

Mr. Ian Hume has more than 30 years' experience in the natural resource industry, primarily in the fields of managed fund investments, capital raising and project development. He was a founding partner of The Sentient Group, a manager of closed end private equity funds, specialising in global investments, in the natural resource sector. Since its inception, The Sentient Group has raised over US$2.6 billion for its investment funds. Following his retirement from The Sentient Group in 2008, he was appointed to The Sentient Council, an advisory body to The Sentient Group. Prior to the establishment of The Sentient Group, Mr. Hume was a partner in Bain & Co for a number of years and a strategic consultant to AMP's Private Capital Division, working on the development of a number of Chilean mining investment joint ventures, as well as advising on a number of specific investments across a range of commodities and locations. He was a Director of Andean Resources Limited until its acquisition by Goldcorp Inc., and Norsemont Mining Inc. until its acquisition by Hudbay Minerals Inc. He is currently a Director of Golden Minerals Company, Iron Road Limited, Silver City Minerals Limited and African Energy Limited.

Mr. Keith Morrison is a prominent Canadian-based mining entrepreneur with over 30 years of international experience and an accomplished background in strategy, finance, exploration, technology, global operations, capital markets and corporate development. He co-founded two significant Canadian-based success stories, Quantec, a world-leader in deep sub-surface imaging technologies, and QGX Ltd., a Canadian-based exploration company which operated in Mongolia prior to its acquisition for $300 million. He is currently Chief Executive Officer of Gedex Inc., a private exploration data technology company.

Mr. Pieter Britz is a registered professional engineer with a wealth of experience in the resources industry since the early 1990's. He began his career in mining in South Africa, where he worked as an engineer at the Sishen iron ore mine from 1992-1997. His various executive roles included involvement in, strategic planning and managing various corporate strategic initiatives. He has also worked in the coal, base metals and heavy, and industrial minerals sectors. In early 2004 he moved to Australia and established Royal Bank of Canada's investment banking division in Sydney. He joined The Sentient Group in early 2007 as an investment professional. He holds a degree in engineering (BEng), an MBA, and is also a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

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Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the nominees for election as a director of the Company is, or was within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to cease trade order or an order that denied such company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days and that was issued while that person was acting in such capacity or that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

None of the nominees for election as a director of the Company is, or was within the ten years prior to the date hereof, a director or executive officer of any company that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as disclosed below:

- In 2008, John Hick was a director and non-executive Chairman of the board of directors of Tamaya Resources Limited ("**Tamaya**"), a company incorporated under the laws of Australia and listed on the Australian Securities Exchange ("**ASX**"), which made a Voluntary Appointment of an Administrator, Ernst & Young (Australia), as a result of becoming insolvent. The reasons for the insolvency are summarized in a questionnaire and report to the Administrators dated November 14, 2008, which was filed with the ASX. As a result of the Voluntary Administration, effective upon the appointment of the Administrators on October 26, 2008, the appointed Administrators immediately assumed all legal powers, rights and obligations of the directors of Tamaya and the directors had no legal rights with respect to the administration or management of Tamaya or its assets.

- Mr. Hick was also a director of Timminco Limited ("**Timminco**") when it filed and was granted protection under the *Companies Creditors Arrangement Act* ("**CCAA**") on January 3, 2012. As a result of the CCAA filing, the Toronto Stock Exchange delisted the company effective February 6, 2012. As part of the CCAA proceedings, all of the directors of Timminco resigned on August 16, 2012.

None of the nominees for election as a director of the Company has within the ten years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the nominees for election as a director of the Company has been subject to any penalties or sanctions imposed by, or entered into a settlement agreement before, a court or regulatory body, including any securities regulatory authority.

Majority Voting for Directors

The board of directors of the Company has adopted a policy stipulating that shareholders shall be entitled to vote in favour of each individual director nominee at a shareholders' meeting. If the votes in favour of the election of a director nominee at a shareholders' meeting represent less than the number of votes withheld, the nominee will submit his resignation promptly after the meeting for the Corporate Governance and Nominating Committee's consideration. In such circumstances, the Corporate Governance and Nominating Committee will make a recommendation to the Board as to the director's suitability to continue to serve as a director after reviewing, among other things, the results of the voting for the nominee and the Board will consider such recommendation. The policy does not apply in circumstances involving contested director elections.

Appointment of Auditor

It is proposed that PricewaterhouseCoopers LLP ("**PwC**") be appointed as the auditor of the Company to hold office until the close of the next annual meeting of the shareholders of the Company and that the board of directors of the Company be authorized to set the auditor’s remuneration. PwC is currently the auditor of the Company and has been

the auditor of the Company since November 11, 2011. **The persons named in the form of proxy accompanying this management information circular intend to vote FOR the appointment of PwC as the auditor of the Company until the close of the next annual meeting of the shareholders of the Company or until its successor is appointed and the authorization of the board of directors of the Company to fix the remuneration of PwC, unless the shareholder of the Company who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the appointment of the auditor of the Company.**

Amendment to By-Laws (Advance Notice Requirement)

At the Meeting, shareholders of the Company will be asked to consider and, if deemed appropriate, to approve, with or without variation, a resolution confirming an amendment to the by-laws of the Company (By-Law No. 1) to include mandatory procedures for nominations of persons for election to the Board, including an advance notice requirement for nominations by shareholders in certain circumstances (the "**By-Law Amendment**"). The advance notice requirement fixes a deadline by which holders of record of Common Shares must submit director nominations to the Secretary of the Company prior to any annual meeting of shareholders (or any special meeting of shareholders if one of the purposes for which the special meeting is called is the election of one or more directors) and sets forth the specific information that a nominating shareholder must include in the written notice to the Secretary of the Company for a nomination to be valid.

The Board understands that amending the Company's by-laws to include an advance notice requirement is consistent with an emerging corporate governance trend among Canadian issuers. The Board and management believe that the By-Law Amendment provides shareholders, directors and management with a transparent, structured and fair framework for nominating directors. In addition, the Board and management believe that the advance notice requirement will facilitate an orderly and efficient annual or special meeting process, ensure that all shareholders receive adequate notice and information concerning nominees and provide shareholders reasonable time for appropriate deliberation in advance of the meeting.

The full text of the resolution confirming the By-Law Amendment is attached to this management information circular as Schedule B. In order to be passed, the resolution confirming the By-Law Amendment requires the approval of a majority of the votes cast thereon by shareholders of the Company present in person or represented by proxy at the Meeting. **The directors of the Company unanimously recommend that shareholders vote FOR the resolution approving the By-Law Amendment. The persons named in the enclosed form of proxy intend to vote FOR the resolution approving the By-Law Amendment, unless a proxy specifies that the Common Shares represented thereby are to be voted against the resolution approving the By-Law Amendment.**

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

The Company's compensation practices are designed to attract, motivate and retain highly qualified employees and executives to manage the business of the Company by rewarding individual and corporate performance and aligning the interests of the Named Executive Officers (as defined below).

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When used in this section, "**Named Executive Officers**" or "**NEOs**", refer to the chief executive officer, the chief financial officer and each of the three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the chief executive officer and the chief financial officer, at the end of the most recently completed financial year of the Company whose total compensation was, individually, more than $150,000 for that financial year. For the financial year ended June 30, 2013 the Company's Named Executive Officers were Les Emery, President and Chief Executive Officer; Mark Churchward, the former Chief Financial Officer and Secretary of the Company; Paul Korpi, the Chief Operating Officer of the Company; Peter Dendle, Project Manager of the Company; and Craig McGown, the former Vice-President, Corporate Development of the Company.

Compensation Discussion & Analysis

Overview of Compensation Program

The Human Resources and Compensation Committee is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company's executive officers. The Human Resources and Compensation Committee ensures that total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Company's compensation philosophy.

The members of the Human Resources and Compensation Committee include Mr. John Hick, Ms. Elizabeth Martin and Mr. Vincent (Ian) Masterton Hume, each of whom is classified as independent for Canadian regulatory purposes. Each Human Resources and Compensation Committee member has held previous senior and executive management roles, providing relevant experience in executive compensation.

Mr. Hick has over 30 years of experience in the mining industry in both senior management positions and as an independent director, during which he has spent the majority of his time based in Toronto, Canada. Mr. Hick has held either senior management and/or board positions with a number of publicly listed Canadian mining companies.

Ms. Martin is a Toronto based, professional accountant with a strong background in international exploration and mining companies. Ms. Martin has held senior and executive management roles in base metal and precious metal companies, such as Northgate Mines Inc., Western Mining Company Limited, IAMGOLD Company and High River Gold Mines Ltd.

Mr. Ian Hume has more than 30 years' experience in the natural resource industry, primarily in the fields of managed fund investments, capital raising and project development. He was a founding partner of The Sentient Group, a manager of closed end private equity funds, specialising in global investments, in the natural resource sector. Prior to the establishment of The Sentient Group, Mr. Hume was a partner in Bain & Co for a number of years and a strategic consultant to AMP's Private Capital Division, working on the development of a number of Chilean mining investment joint ventures, as well as advising on a number of specific investments across a range of commodities and locations. Mr. Hume has held board positions with a number of publicly listed Canadian mining companies.

The responsibilities of the Human Resources and Compensation Committee include, but are not limited to, undertaking the performance evaluation of the President and Chief Executive Officer, reviewing the compensation of each member of management, recommending to the Board the approval of any stock option plan, incentive plan or employee benefit plans to be granted, reviewing and recommending the compensation packages of the directors and the Chair of the Board and review the succession plans for management.

Compensation Philosophy and Objectives

The primary objective of the Human Resources and Compensation Committee is to assist the Board in discharging its responsibilities related to compensation matters, including ensuring that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, retain and inspire senior executives of a quality and nature that will allow for, and enhance, the sustainable development, growth and ultimate

profitability of the Company. As set out in its charter, the Human Resources and Compensation Committee assists the Board in fulfilling its responsibilities by:

- reviewing, structuring and recommending to the Board the nature and amount of directors', executive officers' and other members of the senior management team deemed appropriate by the Compensation Committee, compensation;
- recommending salary guidelines to the Board;
- administering (where applicable) the Company's compensation plans, stock option plans, and such other compensation plans or structures as are adopted by the Company from time-to-time.

Elements of Compensation Program, Determination of Amounts for each Element, Rationale for Amounts of Each Element

The Human Resources and Compensation Committee's overall objective in determining the compensation to be paid to the Company's executive officers, including the Named Executive Officers, is to ensure compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives and to encourage and reward on the basis of individual and corporate performance. Currently, the Company's performance is determined by, and measured against, the development of its Yandera project.

Generally, compensation is provided by the Company to its executive officers as a combination of salary, stock option, performance right grants and bonuses.

Executive salaries are generally established by comparison to competitive salary levels of other mineral resource companies of comparable size and complexity. Salaries are also affected by the individuals' performance, level of experience, level of responsibility and length of service.

The Company uses stock option and performance right grants to align the interests of executive officers with the longer-term interests of shareholders and to reward those who make a long term contribution and commitment to the Company. The number and terms of outstanding options are taken into consideration when determining whether and how many new options should be granted.

Financial Instruments

The Company does not restrict its directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an NEO or director.

Compensation of the President and Chief Executive Officer

Compensation of the President and Chief Executive Officer includes a base cash compensation level and stock option and performance right grants. The compensation of the President and Chief Executive Officer is reviewed annually. The compensation of the President and Chief Executive Officer is determined in accordance with the factors described above for the compensation of the Company's executive officers generally. More particularly however, in determining the President and Chief Executive Officer's compensation, members of the Human Resources and Compensation Committee and the Board have regard to: (i) current base compensation; (ii) past performance; (iii) objectives for the ensuing year; (iv) market and industry practice and trends; and (v) when appropriate, the advice of independent experts.

Option and Share based Awards

The Company uses stock option and performance rights grants to align the interests of executive officers with the longer-term interests of shareholders and to reward those who make a long term contribution and commitment to the

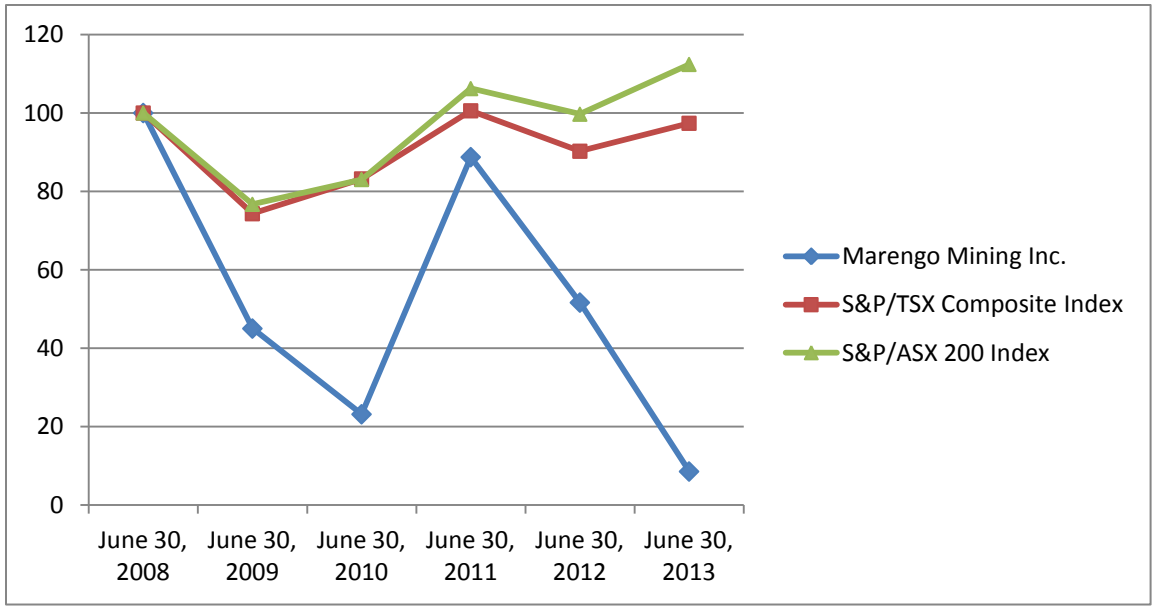
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Company. The Board has sole discretion to determine the employees to whom grants should be made and to determine the terms and conditions of any such grants (after considering the recommendation of the Human Resources and Compensation Committee). The number and terms of outstanding options are taken into consideration when determining whether and how many new options should be granted.

Performance Graph

The following graph compares the total cumulative shareholder return for Cdn$100 invested in the Common Shares of the Company with the cumulative shareholder return of the S&P/TSX Composite Index and the S&P/ASX 200 Index for the period commencing on April 15, 2008, the date of the listing of the Common Shares on the TSX, and ending on June 30, 2013.



The performance of the Company's Common Shares is not directly linked to compensation paid to executive officers of the Company. However the Company's remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and the performance of its directors and executive officers. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

Summary Compensation Table

The following table sets forth information concerning the annual and long term compensation for services rendered to the Company and its subsidiaries for the three most recently completed financial years of the Company in respect of the Named Executive Officers during such financial years.

Name and Principal Position	Year Ended June 30,	Salary (US$)	Share-Based Awards (US$)	Option-Based Awards[1][8] (US$)	Non-Equity Incentive Plan Compensation: Annual Incentive Plans (US$)	Non-Equity Incentive Plan Compensation: Long-Term Incentive Plans (US$)	Pension Value (US$)	All Other Compe n-sation (US$)	Total Compen-sation (US$)
LES EMERY[2]	2013	733,654[3]	Nil	243,533	Nil	Nil	66,029	-	1,043,216
President, Chief	2012	581,705[3]	Nil	8,768	Nil	Nil	137,138[4]	24,595[5]	752,206

Name and Principal Position	Year Ended	Salary (US$)	Share-Based	Option-Based Awards[1] [8]	Non-Equity Incentive Plan Compensation		Pension Value	All Other	Total Compen-
Executive Officer and Director	2011	451,542[3]	Nil	18,556	Nil	Nil	131,025[4]	16,439[5]	617,561
MARK CHURCHWARD[6] Former Chief Financial Officer and Secretary	2013	311,730	Nil	108,270	Nil	Nil	27,597	Nil	447,597
	2012	198,599[3]	Nil	Nil	Nil	Nil	17,874	Nil	216,474
	2011	-	-	-	-	-	-	-	-
PAUL KORPI Chief Operating Officer	2013	507,120	Nil	175,437	Nil	Nil	40,188	-	722,745
	2012	-	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-	-
PETER DENDLE Project Manager	2013	369,323	Nil	60,150	Nil	Nil	29,933	Nil	459,406
	2012	302,868	Nil	1,508	Nil	Nil	44,431	Nil	348,806
	2011	296,817	Nil	2,905	Nil	Nil	26,714	Nil	326,435
CRAIG MCGOWN Former Vice President, Corporate Development[7]	2013	406,791	Nil	70,317	Nil	Nil	Nil	Nil	447,108
	2012	408,957	Nil	6,198	Nil	Nil	Nil	Nil	415,156
	2011	299,920	Nil	13,252	Nil	Nil	Nil	Nil	312,542
DEAN RICHARDSON VP Investor Relations & Company Secretary	2013	186,672	Nil	48,120	Nil	Nil	15,758	Nil	250,550
	2012	152,674	Nil	Nil	Nil	Nil	13,741	Nil	166,415
	2011	-	-	-	-	-	-	-	-

Notes:

(1) Reflects the fair value of the options granted to the Named Executive Officers during the year, calculated as at the grant dates using the Black-Scholes valuation method. Use of the Black-Scholes method to calculate the fair value of the option-based awards requires the making of certain key assumptions. The fair values do not likely reflect the actual values that will be realized by the Named Executive Officers when they ultimately exercise the options, if at all, which realized values will depend upon the market price of the Common Shares at the time of exercise. Additionally, the values reported do not reflect the intrinsic value of the options (the difference between the market price of the Common Shares and the exercise price of the options) on the grant date or as at the relevant year-end.

(2) Mr. Emery does not receive additional compensation for serving as a director.

(3) Includes unused annual leave and days in lieu entitlements.

(4) Represents superannuation payments of A$44,286 and long service leave entitlement of A$88,507.

(5) Represents car allowance.

(6) Mr. Churchward began providing services to the Company as Chief Financial Officer on September 12, 2011 and Company Secretary on February 24, 2012. Mr. Churchward ceased to be Chief Financial Officer and Company Secretary effective July 31, 2013.

(7) Mr. McGown, a director of Resource Investment Capital Advisors Pty Ltd. provided services as Vice-President, Corporate Development until July 31, 2013.

(8) Reflects the fair value of the options/ performance rights issued to the Named Executive Officers apportioned over the life of the options/ performance rights. The expense accounted for during the 2013 financial year assumes there is a 100% probability that the options/ performance rights will vest and be exercised prior to the expiry date.

NEO Incentive Plan Awards

The following table sets forth certain information, in relation to the Named Executive Officers, regarding share-based and option-based awards outstanding as of the end of the financial year of the Company ended June 30, 2013.

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	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price (US$)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options[1] (US$)**	**Number of Common Shares or Units of Common Shares That Have not Vested (#)**	**Market or Payout Value of Share-Based Awards That Have not Vested (US$)**	**Market or Payout Value of Share-Based Awards Not Paid Out or Distributed (US$)**
LES EMERY	1,500,000	0.50	15/08/2013	-	10,750,000	-	-
MARK CHURCHWARD[2]	-	-	-	-	5,400,000	-	-
PAUL KORPI	-	-	-	-	8,750,000	-	-
PETER DENDLE	500,000	0.25	18/12/2013	-	3,000,000	-	-
CRAIG MCGOWN[3]	650,000	0.25	31/03/2015	-	3,400,000	-	-
DEAN RICHARDSON		-	-	-	2,400,000	-	-

Notes:

(1) Based on the closing price of Cdn$0.025 per Common Share on the TSX on June 30, 2013.

(2) Mr. Churchward began providing services to the Company as Chief Financial Officer on September 12, 2011 and Company Secretary on February 24, 2012. Mr. Churchward ceased to be Chief Financial Officer and Company Secretary effective July 31, 2013.

(3) Mr. McGown, a director of Resource Investment Capital Advisors Pty Ltd. provided services as Vice-President, Corporate Development until July 31, 2013.

The following table sets forth certain information, in relation to the Named Executive Officers, regarding the value vested or earned in connection with incentive plan awards during the financial year of the Company ended June 30, 2013.

Name	**Option-Based Awards – Value Vested During the Year[1] (US$)**	**Share-Based Awards – Value Vested During the Year (US$)**	**Non-Equity Incentive Plan Compensation – Value Earned During the Year (US$)**
LES EMERY	-	-	-
MARK CHURCHWARD[2]	-	-	-
PAUL KORPI	-	-	-
PETER DENDLE	-	-	-
CRAIG MCGOWN[3]	-	-	-
DEAN RICHARDSON	-	-	-

Notes:

(1) Reflects the aggregate dollar value that would have been realized if the options had been exercised on the vesting date.

(2) Mr. Churchward began providing services to the Company as Chief Financial Officer on September 12, 2011 and Company Secretary on February 24, 2012. Mr. Churchward ceased to be Chief Financial Officer and Company Secretary effective July 31, 2013.

(3) Mr. McGown, a director of Resource Investment Capital Advisors Pty Ltd. provided services as Vice-President, Corporate Development until July 31, 2013.

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Narrative Discussion regarding Options

As at June 30, 2013 there were 9,950,000 outstanding options, and 4,200,000 options remained outstanding as at November 26, 2013. The exercise price of these options range from Cdn$0.13 to A$0.50 per share. The expiry dates of options granted range from December 18, 2013 to March 18, 2018. There are also 45,600,000 Performance Rights outstanding, the exercise price is Nil and the expiry is September 6, 2017.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one Common Share with full dividend and voting rights. Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Marengo to increase goal congruence between executives, directors and shareholders.

On August 15, 2008, 5,750,000 options were granted to employees of the Company. These options had an exercise price of A$0.50 per Common Share and expired on August 15, 2013.

On December 23, 2008, 2,300,000 options were granted to employees of the Company. These options have an exercise price of A$0.25 per Common Share, expire on December 18, 2013 and vest annually in five equal installments commencing on the date of grant.

A further 550,000 options were granted to employees of the Company on April 15, 2009. These options have an exercise price of A$0.25 per Common Share and expire on March 31, 2014.

A further 475,000 options were granted to employees of the Company on December 1, 2009. These options have an exercise price of A$0.25 per Common Share and expire on November 30, 2014.

A further 150,000 options were granted to employees of the Company on April 10, 2010. These options have an exercise price of A$0.25 per Common Share and expire on March 22, 2015.

A further 650,000 options were granted on April 16, 2010. These options have an exercise price of A$0.25 per Common Share and expire on March 31, 2015.

A further 475,000 options were granted on October 25, 2010. These options have an exercise price of A$0.22 per Common Share and expire on October 25, 2015.

A further 500,000 options were granted on February 23, 2011. These options have an exercise price of A$0.32 per Common Share and expire on February 23, 2016.

A further 225,000 options were granted on November 10, 2011. These options have an exercise price of A$0.19 per Common Share and expire on November 10, 2016.

A further 275,000 options were granted on February 24, 2012. These options have an exercise price of A$0.24 per Common Share and expire on February 24, 2017.

9,600,000 performance rights A were granted on September 6, 2012. The performance rights expire on September 6, 2017.

36,000,000 performance rights B were granted on September 6, 2012. The performance rights expire on September 6, 2017.

A further 775,000 options were granted on March 8, 2013. These options have an exercise price of Cdn$0.13 per Common Share and expire on March 8, 2018.

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Pension Plan Benefits

The Company does not have a pension plan and has not provided any pension plan benefits to its Named Executive Officers, aside from superannuation contributions provided to Messrs. Emery and Churchward, as per the table below:

Name	Accumulated Value at Start of Year (US$)	Compensatory ($) (US$)	Accumulated Value at Year End (US$)
LES EMERY	-	66,029	-
MARK CHURCHWARD[(2)]	-	27,597	-
PAUL KORPI	-	40,188	-
PETER DENDLE	-	29,933	-
CRAIG MCGOWN	-	-	-
DEAN RICHARDSON	-	15,758	-

Notes:

(1) Mr. Churchward began providing services to the Company as Chief Financial Officer on September 12, 2011 and Company Secretary on February 24, 2012. Mr. Churchward ceased to be Chief Financial Officer and Company Secretary effective July 31, 2013.

Termination and Change of Control Benefits

Marengo has entered an employment agreement with Mr. Emery, dated July 11 2011, effective from the date of shareholder approval, being December 23, 2011 (the "**Emery Employment Agreement**") pursuant to which Mr. Emery is employed as Managing Director of Marengo. Pursuant to the Emery Agreement, Mr. Emery is paid an annual salary of A$493,993 plus a superannuation contribution of A$45,833 to be reviewed annually by the Board. Mr. Emery is also provided with a fully maintained company motor vehicle with a deemed value of A$18,500 per annum and reimbursement of 75% of this telecommunication charges and 100% of his mobile phone charges.

The Company may terminate Mr. Emery's employment for any reason upon providing two months' notice to Mr. Emery in writing. In this case, Mr. Emery is entitled to be paid, as liquidated damages and without deduction, a termination benefit equal to three years' base salary which will include any payments in lieu of the minimum notice period required by law (i.e. the Termination Payment).

Mr. Emery may terminate his Agreement by giving one month's written notice to the Company if he:

a) is demoted from his position without good cause; or

b) is requested, without good cause, to assume responsibilities or perform tasks not reasonably consistent with his position.

In these circumstances, Mr. Emery is entitled to be paid the Termination Benefit. In addition, Mr. Emery's employment may be terminated by the Company in writing effective immediately if Mr. Emery is guilty of gross misconduct, convicted of a criminal offence, becomes bankrupt or insolvent or in a range of other circumstances. However, no termination benefit is due to be made to Mr. Emery in this case.

Mr. Emery may terminate his employment at any time by giving the Company three months' notice in writing. As at June 30, 2013, Mr. Emery had an annual leave benefit totaling $72,628.

Mr. Dennis Wilkins was appointed Chief Financial Officer of the Company effective July 1, 2013. Mr. Wilkins' services are provided by DWCorporate Pty Ltd and charged for hourly at commercial rates. In addition, DWCorporate Pty Ltd provides office accommodation and other personnel to assist with administrative and

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accounting functions on as needed basis. Mr. Wilkins is the Principal of DWCorporate Pty Ltd. The services are able to be terminated on one month notice.

Marengo has entered into standard protection deeds (the "**Deeds**") with each of its directors and certain of its officers which provide for, amongst other things: (a) an indemnity of the directors and officers, to the extent permitted by law, against any liability which they may incur while carrying out duties as directors or officers of Marengo; (b) access to the documents of the Board; and (c) the provision of directors' and officers' liability insurance.

Other than the agreements disclosed above, there is no arrangement or agreement made between Marengo or its subsidiaries and any of the Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of Marengo or a change in the Named Executive Officer's responsibilities, other than as detailed above.

The following table summarizes the termination and change of control benefits that Mr. Emery would have received at, following, or in connection with any termination, determination, determined as if termination occurred on June 30, 2013.

Name	Event	Contractual Severance		Benefits ($)	Long-term Incentives	Other (US$)	Total (US$)
		Salary (US$)	Annual Bonus (US$)		Options (US$)		
LES EMERY	Termination with cause	-	-	-	-	-	-
	Termination without cause	1,477,407	-	-	-	-	1,477,407
	Resignation with cause	1,477,407	-	-	-	-	1,477,407
	Resignation without cause	Nil	-	-	-	-	-

Director Compensation

The following table sets forth information concerning the annual and long term compensation in respect of the directors of the Company during the financial year of the Company ended June 30, 2013, other than Mr. Emery, whose compensation is set out above under "Summary Compensation Table".

Name	Fees Earned (US$)	Share-Based Awards (US$)	Option-Based Awards[6] (US$)	Non-Equity Incentive Plan Compen-sation (US$)	Pension Value (US$)	All Other Compen-sation (US$)	Total (US$)
SIR RABBIE NAMALIU	64,203	-	626	-	-	6,489[1]	70,692
JOHN HICK	63,809	-	313	-	-	6,489[1]	70,611
ELIZABETH MARTIN	69,083	-	313	-	-	6,489[1]	75,885
VINCENT (IAN) MASTERTON HUME[2]	42,857	-	-	-	-	6,489[1]	49,346
RICHARD WILLIAM (KEITH) MORRISON[2]	41,468	-	-	-	-	4,791[1]	46,259

Name	Fees Earned (US$)	Share-Based Awards (US$)	Option-Based Awards[6] (US$)	Non-Equity Incentive Plan Compen-sation (US$)	Pension Value (US$)	All Other Compen-sation (US$)	Total (US$)
DOUGLAS DUNNET[3]	14,844	-	22,017	-	1,335	1,698[1]	39,894
SUSANNE SESSELMANN[3]	16,179	-	22,017	-	-	1,698[1]	39,894
JOHN HORAN[4]	254,129	-	22,486	-	-	2,324[1]	278,939
LOUIS GIGNAC[5]	56,110	-	-	-	-	4,791[1]	60,901
MARIO CARON[5]	39,226	-	-	-	-	4,791[1]	44,017

Notes:

(1) Share of directors' and officers' liability insurance paid.

(2) Appointed effective October 4, 2012.

(3) Resigned effective October 4, 2012.

(4) Resigned effective November 8, 2012.

(5) Resigned effective June 30, 2013.

(6) Includes options and performance rights.

Mr. Pieter Britz was appointed to the Board as a non-executive director effective July 26, 2013, following the financial year ended June 30, 2013.

Narrative Discussion

During the most recently completed financial year, each non-executive director and the Chairman received fees for services rendered during that year as shown in the above table. Executive officers do not receive additional compensation for serving as directors. Directors are also reimbursed for all reasonable expenses incurred in their capacity as directors. Generally, directors of Marengo do not receive additional amounts for committee participation or special assignments, however should the non-executive directors provide services in excess of those expected of such a position, the Company will provide reasonable remuneration for those services. There are no other arrangements under which directors were compensated for their services as directors or as consultants or experts during the Company's most recently completed financial year.

Director Incentive Plan Awards

The following table sets forth certain information, in relation to the directors of the Company regarding share-based and option-based awards outstanding as of the end of the financial year of the Company ended June 30, 2013, other than Mr. Emery, whose information is set out above under "NEO Incentive Plan Awards".

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	Option-Based Awards				Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (US$)	Option Expiration Date	Value of Unexercised In-the-Money Options (US$)	Number of Common Shares or Units of Common Shares That Have not Vested (#)	Market or Payout Value of Share-Based Awards That Have not Vested (US$)	Market or Payout Value of Share-Based Awards Not Paid Out or Distributed (US$)
SIR RABBIE NAMALIU	1,000,000	0.5	15/08/2013	-	-	-	-
JOHN HICK	500,000	0.5	15/08/2013	-	-	-	-
ELIZABETH MARTIN	500,000	0.5	15/08/2013	-	-	-	-
VINCENT (IAN) MASTERTON HUME[1]	-	-	-	-	-	-	-
RICHARD WILLIAM (KEITH) MORRISON[1]	-	-	-	-	-	-	-
DOUGLAS DUNNET[2]	500,000	0.5	15/08/2013	-	500,000	-	-
SUSANNE SESSELMANN[2]	500,000	0.5	15/08/2013	-	500,000	-	-
JOHN HORAN[3]	1,250,000	0.5	15/08/2013	-	500,000	-	-
LOUIS GIGNAC[4]	-	-	-	-	-	-	-
MARIO CARON[4]	-	-	-	-	-	-	-

Notes:

(1) Appointed effective October 4, 2012.

(2) Resigned effective October 4, 2012.

(3) Resigned effective November 8, 2012.

(4) Resigned effective June 30, 2013.

The following table sets forth certain information, in relation to the directors of the Company regarding the value vested or earned in connection with incentive plan awards during the financial year of the Company ended June 30, 2013, other than Mr. Emery, whose information is set out above under "NEO Incentive Plan Awards".

Name	Option-Based Awards – Value Vested During the Year (US$)	Share-Based Awards – Value Vested During the Year (US$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (US$)
SIR RABBIE NAMALIU	-	-	-
JOHN HICK	-	-	-
ELIZABETH MARTIN	-	-	-
VINCENT (IAN) MASTERTON HUME[(1)]	-	-	-
RICHARD WILLIAM (KEITH) MORRISON[(1)]	-	-	-
DOUGLAS DUNNET[(2)]	-	-	-
SUSANNE SESSELMANN[(2)]	-	-	-
JOHN HORAN[(3)]	-	-	-
LOUIS GIGNAC[(4)]	-	-	-
MARIO CARON[(4)]	-	-	-

Notes:

(1) Appointed effective October 4, 2012.

(2) Resigned effective October 4, 2012.

(3) Resigned effective November 8, 2012.

(4) Resigned effective June 30, 2013.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth, as of June 30, 2013, information concerning securities authorized for issue under equity compensation plans of the Company.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (A)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column A) (C)
Equity compensation plans previously approved by security holders	91,000,030[1]	US$9.15	Nil
Equity compensation plans not previously approved by security holders	-	-	-
Total	91,000,030	US$9.15	Nil

Notes:

(1) Includes warrants that expired on August 11, 2013.

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Incentive Plans – Employee Stock Option Plan

The Directors considered that it was desirable to establish an option plan (the "**Plan**") under which employees may be offered the opportunity to subscribe for options to acquire Common Shares ("**Options**") in order to increase the range of potential incentives available to them and to strengthen the links between the Company and its employees and accordingly adopted the Plan on June 10, 2008. The Plan was approved by the Shareholders on July 31, 2008, and reapproved on November 10, 2011.

It is considered by the Directors that the future grant of Options under the Plan will provide select employees with the opportunity to participate in the future growth of the Company.

The Plan provides for the granting of Options that permit the acquisition of Common Shares by the Plan's participants. The purpose of the Plan is to advance the interests of the Company by providing eligible directors and employees with an opportunity to acquire a financial interest in the Company thereby aligning their interests more closely with shareholders and providing greater incentive for them to focus on the Company's longer-term goals.

The Plan may be administered by the Board which may delegate, to any person or persons on such conditions as it determines, the exercise of any of its powers or discretions under the rules of Plan. The material provisions of the Plan are as follows:

Eligible Participants

Permanent full-time or permanent part-time employees and directors ("**Eligible Participant**") of the Company and any related body corporate of the Company that the Board determines will participate in the Plan.

Common Shares Subject to the Plan

The Plan provides that the maximum number of Common Shares issuable upon the exercise of Options shall not exceed 5% of the total number of issued and outstanding Common Shares from time to time. As a result, should the Company issue additional common shares in the future, the number of Common Shares issuable under the Plan will increase accordingly. As of the date hereof, Options for the purchase of a total of 4,200,000 Common Shares have been granted and are outstanding under the Plan (representing 0.4% of the issued and outstanding Common Shares of the Company as of the date hereof), out of a total available of 52,686,028.

Maximum Percentage of Available Securities to Insiders under the Plan

The Plan does not limit insider participation.

Maximum Percentage of Available Securities to any One Person or Company under the Plan.

The Plan does not provide for a maximum number of Common Shares which may be issued to an individual pursuant to the Plan and any other share compensation arrangement (expressed as a percentage or otherwise).

Method of Determining Option Exercise Price

The Board shall fix the price per Common Share issued pursuant to the Option at the time the Option is granted, provided that the price per Common Share fixed by the Board shall not be less than the volume weighted average trading price of the Common Shares, calculated by dividing the total value by the total volume of Common Shares traded during the relevant period, or the market value of the Common Shares determined by the Board, on the date the Board resolves to offer such Option to an Eligible Participant or, if the grant of such Option is subject to shareholder approval, the date upon which the Board resolves to seek shareholder approval for the offer of such Option.

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Vesting of Options and Option Period

At the time of the grant of an Option, the Board may determine when any Option will become exercisable. Options must be exercised in multiples of 1,000, unless the participant exercises all Options able to be exercised at that time.

Term of Options

At the time of the grant of an Option, the Board may determine the term of any Option.

Causes of Cessation of Entitlement

The Plan sets out provisions regarding the exercise and cancellation of Options if an Eligible Participant's employment terminates or an Eligible Participant otherwise ceases to be eligible under the Plan. Under the Plan:

If the Eligible Participant ceases to be eligible as a result of

(a) their position being made redundant;

(b) retirement; or

(c) death or total permanent disability,

the Eligible Participant may exercise their Options in accordance with the rules of the Plan within 180 days from the date of cessation of employment or such longer period determined by the Board.

If the Eligible Participant ceases to be eligible for any reason other than those specified above, the Eligible Participant may exercise their Options in accordance with the rules of the Plan within 30 days from the date of cessation of employment or such longer period determined by the Board provided that the Eligible Participant has not, in the Board's opinion, committed any act of fraud, theft or gross misconduct in relation to the affairs of a related body corporate of the Company (whether or not charged with an offense) or brought a related body corporate of the Company into disrepute.

If the Eligible Participant's employment is suspended pursuant to the terms of their employment agreement, all Options held by that participant may not be exercised during the period of suspension.

If:

(a) a takeover bid is made to the holders of Common Shares;

(b) pursuant to an application, a court orders a meeting to be held in relation to a proposed compromise or arrangement for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company;

(c) the Company passes a resolution for voluntary winding up; or

(d) an order is made for the compulsory winding up of the Company,

participants may exercise all of their Options in accordance with the rules of the Plan within 30 days from the date of such written notice (or such longer period determined by the Board).

Assignability

The Plan sets out provisions regarding a participant's ability to assign, transfer, sell, grant a security interest over or otherwise deal with an Option. Under the Plan:

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(a) Options may be transferred to a relative of, or a body corporate controlled by the participant or a related body corporate of any such entities subject to the transferee agreeing to be bound by the rules of the Plan and the constating documents of the Company.

(b) Options may be transferred on the death of a participant, by the Participant's legal personal representative, and in the event that an order is made for the participant's estate to be administered under the laws relating to mental health, the person who is appointed to administer such estate subject to the transferee agreeing to be bound by the rules of the Plan and the constating documents of the Company.

Amendments, Suspension or Termination of the Plan

The Board may amend, suspend or terminate the Plan, at any time, provided that no such amendment, suspension or termination may be made without obtaining any required regulatory approvals or adversely affect the rights of any optionee who holds an Option at the time of such amendment, without the written consent of at least 75% of the participants affected by the proposed change.

Amendments Requiring Shareholder Approval

Shareholder approval will be required for amendments to the Plan or to the terms of any Option that will cause:

(a) a reduction of the exercise price of a previously issued Option held by an insider of the Company;

(b) an extension of the expiry date of any Option held by an insider;

(c) an increase in the number of Common Shares which may be issued on exercise of Options granted under the Plan;

(d) a participant to transfer Options other than where the transfer is effected by force of law on death of the participant to the participant's legal personal representative;

(e) a broadening or an increase in insider participation in the Plan; and

(f) an extension in the term of any outstanding Option to a date beyond the latest exercise date currently stipulated in the rules of the Plan.

The above summary is presented in conjunction with, and is superseded by the full terms of the Plan, attached as Appendix "A" to the management information circular of the Company dated September 28, 2012, a copy of which is available under the Company's profile on SEDAR.

Performance Rights Plan

The Performance Rights Plan ("**PRP**") is an incentive plan which is designed to increase the motivation of staff and create a stronger link between increasing Shareholder value and employee reward. It was adopted by the Board on June 23, 2011 and approved by the Shareholders on September 29, 2011. As of November 26, 2013, there were 45,600,000 performance rights on issue, representing 4% of the issued and outstanding Common Shares of the Company.

Reasons for the PRP

To achieve its corporate objectives, the Company needs to attract and retain its key staff.

The Board believes that grants made to eligible employees under the PRP will provide a powerful tool to underpin the Company's employment strategy and that the implementation of the PRP will:

(a) enable the Company to recruit and retain talented people needed to achieve the Company's business objectives;

(b) link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;

(c) align the financial interest of participants of the PRP ("**Participants**") with those of Shareholders; and

(d) provide incentives to Participants to focus on superior performance that creates Shareholder value.

Participation

The Board may from time to time in its absolute discretion offer ("**Offer**") performance rights ("**Performance Rights**") to full or part-time employees of the Company (including Directors) or its subsidiaries who are declared by the Board to be eligible to receive grants of Performance Rights under the PRP ("**Eligible Employees**"). Performance Rights granted under the PRP expire 5 years from the grant date.

Offers to participate

An Offer must set out the performance conditions to be met by the Eligible Employee ("**Performance Conditions**"), vesting, expiry and other similar terms attached to such Performance Rights. Unless the Board otherwise determines, no amount is payable on the grant of a Performance Right.

Rules of the PRP

Under the PRP, Performance Rights may be offered to Eligible Employees as determined by the Board. The vesting of Performance Rights will be subject to certain criteria.

The following is a summary of the key terms of the PRP:

(a) Participation: The Board retains complete discretion to make offers of Performance Rights to any Eligible Employee.

(b) No Transfer: Except on the death of a Participant or permanent incapacitation of a Participant, Performance Rights may not be transferred except with the prior written consent of the Board, and will lapse immediately if transferred.

(c) Vesting: Each Performance Right issued to a Participant will vest on the date specified in the invitation. The vesting of a Performance Right under the PRP is conditional on the satisfaction of the Performance Conditions attaching to the Performance Right. Notwithstanding the foregoing, and subject to the Listing Rules and the TSX Rules:

i. the Board may vest some or all of a Participant's Performance Rights even if a Performance Condition has not been satisfied, if the Board considers that to do so would be in the interests of the Company to do so; and

ii. the vesting of a Participant's Performance Rights may be subject to such further conditions as determined by the board of directors of the Company.

Performance Rights may also vest if:

iii. a takeover bid is made in respect of Common Shares; or

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iv. if a Court orders a meeting to be held in relation to a merger by way of scheme of arrangement or any person becomes bound or entitled to acquire shares in the Company under sections 414 or 6A of the Companys Act.

(d) Lapse: An unvested Performance Right will lapse on the earliest to occur of:

i. the Performance Right lapsing in accordance with a provision of the PRP;

ii. the applicable Performance Conditions (as defined in the PRP) not being achieved within any prescribed period; or

iii. any date set out in an invitation by which it is stated that the Performance Right will automatically lapse.

(e) Maximum percentage of available securities to Insiders under all Share compensation arrangements: The aggregate number of Common Shares issuable to Insiders pursuant to the grant of Performance Rights under the PRP and any other share compensation arrangement shall not exceed 10% of the Common Shares then outstanding. Insiders shall not be issued, pursuant to the PRP and any other share compensation arrangement, within any one year period, securities convertible into a number of Common Shares which exceeds 10% of the Common Shares then outstanding.

(f) Causes of Cessation of Entitlement: If a Participant ceases to be an employee of any of the Company or its subsidiaries other than in those circumstances specifically referenced in rule 8.3 of the PRP, any Performance Rights granted to that Participant under the PRP will automatically lapse on the cessation of the Participant's employment.

(g) 5% limit: The Board is not entitled to make an offer under the PRP if offers of Performance Rights (or other securities of the Company) under the PRP or under similar plans (excluding offers that do not require the use of a disclosure document) in the previous 5 years would exceed 5% of the issued capital in the Company.

(h) Nature of Performance Rights: A Performance Right is a right to receive a Share on the terms set out in the PRP and the Offer. The Performance Conditions applicable to any performance period relating to Performance Rights shall be as set out in the Offer.

(i) Amendment or termination of the PRP: The Board retains the discretion to amend the rules of the PRP or to suspend or terminate it at any time.

(j) Amendments Without Shareholder Approval: The board of directors of the Company may amend the PRP at any time, provided that no such amendment may be made without obtaining any required regulatory approvals or require the approval of the shareholders of the Company pursuant to the PRP.

(k) Amendments Requiring Shareholder Approval: The approval of Shareholders will be required for any amendment that:

i. changes a Performance Condition of a Performance Right held by an Insider;

ii. extends the expiry date of any Performance Right held by an Insider;

iii. increases the number of Common Shares which may be issued upon vesting of Performance Rights granted under the Plan;

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iv. allows a Participant to transfer Performance Rights other than where the transfer is effected by force of law on death or bankruptcy of the Participant to the Participant's legal personal representative or trustee in bankruptcy, as applicable;

v. would have the potential to broaden or increase Insider participation in the Plan;

vi. extends the term of any outstanding Performance Right to a date beyond the latest vesting date currently stipulated in the Listing Rules or TSX Rules;

vii increases in the maximum number of Common Shares permitted to be issued on the exercise of Performance Rights; or

viii amends the amending provisions contained in the PRP.

The above summary is presented in conjunction with, and is superseded by the full terms of the PRP, attached as Appendix "B" to the management information circular of the Company dated September 28, 2012, a copy of which is available under the Company's profile on SEDAR.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

AGGREGATE INDEBTEDNESS (US$)		
Purpose	**To the Company or its Subsidiaries**	**To Another Entity**
Share purchases	A$914,600	-
Other	-	-

On June 11, 2008, the Company entered into a loan agreement with the President and Chief Executive Officer, Mr. Les Emery, to lend A$1,000,000 interest free for a 10 year loan term. The purpose of the loan was for Mr. Emery to exercise 4,000,000 unlisted options expiring November 30, 2008. This agreement was approved by shareholders at the Company's general meeting on November 28, 2007.

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INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS						
Name and Principal Position	**Involvement of Company or Subsidiary**	**Largest Amount Outstanding During Most Recently Completed Financial Year (US$)**	**Amount Outstanding as at September 30, 2013 (US$)**	**Financially Assisted Securities Purchases During Most Recently Completed Financial Year (#)**	**Security for Indebtedness**	**Amount Forgiven During Most Recently Completed Financial Year (US$)**
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Securities Purchase Programs						
Les Emery	Company as lender	$914,600	$914,600	-	Unsecured loan	-
Other						
N/A						

The principal terms of the loan provide as follows:

- If Mr. Emery's employment ceases for any reason other than death, permanent disability or removal from office, the loan becomes payable within one month of such cessation. If Mr. Emery's employment ceases because of death, permanent disability or removal from office, the loan becomes payable within six months of such cessation. The Board retains discretion to extend these time periods;
- Any dividends must be applied to reduce the outstanding loan; and
- The loan is limited recourse. That is, in the event the shares obtained under the loan are sold for an amount less than the amount of the loan, the maximum amount Mr. Emery will be required to repay is the amount of the sale proceeds. In this way, Mr. Emery is protected against a decline in the Company's share price.
- The loan has been accounted for as an option in the current fiscal year and, as at June 30, 2013, the loan to Mr. Emery is still outstanding.

No other director or executive officer, of the Company is indebted to the Company for any sum.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Company and its directors are committed to exercising effective corporate governance in the conduct of the business of the Company. National Instrument 58-101 — *Disclosure of Corporate Governance Practices* ("**NI 58-101**") promulgated by Canadian securities regulatory authorities requires reporting issuers to disclose their approach to corporate governance and relate their corporate governance practices to specific guidelines. The National Instrument serves as the reference point for this Statement of Corporate Governance Practices.

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Board of Directors

The Board of the Company is currently comprised of seven directors, a majority of whom are independent. Specifically, all of the directors other than Mr. Emery are independent for the purposes of NI 58-101. Mr. Emery is not independent as he is currently the President and Chief Executive Officer of the Company.

The Board will regularly excuse management from part of its meetings and meet in non-executive session. A total of 6 Board meetings have been held, none of which excluded members of management.

The attendance record of the Directors at meetings of the Board held since the beginning of the Company's most recently completed financial year was as follows.

Director	Board of Directors Meeting (Non- Independent)	Board of Directors Meeting (Independent)	Audit and Risk Committee Meeting
Les Emery	6/6	-	-
Sir Rabbie Namaliu	-	5/6	-
John Hick	-	6/6	2/2
Elizabeth Martin	-	6/6	2/2
Vincent (Ian) Masterton Hume	4/6	-	-
Richard William (Keith) Morrison	-	6/6	2/2
Pieter Britz	4/5	-	-

The following directors of the Company are directors of other issuers that are reporting issuers or the equivalent in Canada or elsewhere:

Director	Reporting Issuer
Les Emery	Nil
Sir Rabbie Namaliu	Bougainville Copper Limited and Kina Asset Management Limited
John Hick	Carpathian Gold Inc, Eurotin Inc, White Knight Resources Ltd., Diamond Estates Wines & Spirits Inc., First Uranium Company, Hudson Resources Inc., International Minerals Company and St Andrew Goldfields Ltd.
Elizabeth Martin	Director of Aura Minerals Inc.
Vincent (Ian) Masterton Hume	Golden Minerals Company, Iron Road Limited, Silver City Minerals Limited and African Energy Limited
Richard William (Keith) Morrison	Aeroquest International Limited
Pieter Britz	Nil

Board Mandate

The Board is responsible for the protection and enhancement of long-term shareholder value. To fulfill this role, the Board is responsible for the overall corporate governance of the Company including formulating its strategic direction.

To assist in the execution of its responsibilities, the Board has established a number of Committees. Business risk management processes are also constantly monitored.

Position Descriptions

The Board has not adopted written position descriptions for the Chairman of the Board on the basis that the role of the Chairman of the Board is well understood by all of the directors. Similarly, the Board has not adopted a written

position description for President and Chief Executive Officer, Mr. Emery, on the basis that his role and responsibilities are well understood by him and by the other directors. The role of chair of the Audit and Risk Committee is set out in its charter.

Orientation and Continuing Education

The Company does not provide a formal orientation or education program for new directors. However, new directors are educated about the nature and operation of the Company's business, current issues, corporate strategy and the role of the Board, its committees and its directors by the current directors and senior officers. The Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

Ethical Business Conduct

The Board has adopted a written code for ethical business conduct, and a copy may be obtained from Dean Richardson, Corporate Secretary, at 647-328-2449. The code applies to all employees, officers, directors and consultants. The Board monitors compliance with the code by requiring management to assume responsibility for the conduct of those who report to them. This means ensuring that the code is clearly communicated, leading by example and ensuring controls are established and maintained to prevent or detect breaches. To encourage ethical business practices, with the prior approval of the Chair, each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfill his duties and responsibilities as a director. In addition, the Company is of the view that fiduciary duties placed on individual directors by applicable legislation and restrictions in applicable legislation respecting participation in Board decisions in which an individual director has an interest ensures that the Board operates independently of management and in the best interests of Shareholders.

Nomination and Compensation of Directors

The Board has established a Corporate Governance and Nomination Committee. The Corporate Governance and Nomination Committee is responsible for all matters related to director recruitment, orientation, compensation and continuing education and evaluations of the Board, its committees and its members including periodically assessing the skills present on the Board, making recommendations as to whether and how those skills ought to, or could be, enhanced, implementing a process for the identification of suitable candidates for appointment to the Board.

Compensation

The Board has established a Human Resources and Compensation Committee (the "**Human Resources and Compensation Committee**"). The Human Resources and Remuneration Committee is comprised of John Hick (Chairman), Elizabeth Martin and Mr. Vincent (Ian) Masterton Hume. The executive director receives a base salary (which is based on factors such as length of service and experience) and superannuation. Executive packages are reviewed annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. The executive director receives a superannuation guarantee contribution required by the government, which is currently 9%.

Non executive directors are remunerated at market rates for comparable companies for time, commitment and responsibilities. Remuneration paid to non executive directors is reviewed annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The Human Resources and Compensation Committee is responsible for, among other things, evaluating the performance of the Company's management in light of the Company's performance and making recommendations to the Board with respect to the compensation level for the Company's management based on this evaluation. The Human Resources and Compensation Committee reviews compensation annually. Further information regarding the activities and recommendations of the Human Resources and Compensation Committee is provided above under "Executive Compensation".

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Other Board Committees

The Board currently has no standing committees other than the Audit and Risk Committee, Human Resources and Compensation Committee, Corporate Governance and Nomination Committee and Safety, Health and Environment Committee.

The primary objective of the Safety, Health and Environment Committee is to assist the Board to discharge its responsibilities in the following areas:

1. ensuring the Company adopts, maintains and applies appropriate safety and environment policies and procedures;

2. ensuring that the Company maintains effective safety and environment related internal control and risk management systems; and

3. providing a formal forum for communication between the Board and senior management in safety and environment matters, both Company specific and otherwise.

The members of the Safety, Health and Environment Committee are Sir Rabbie Namaliu (Chairman), Mr. Emery and Mr. Hume.

Assessments

Given the size of the Company, assessments of the Board, its committees and its directors are carried out periodically on an informal basis. To date, the Board has not found it necessary to institute any formal process in order to satisfy itself that the Board, its committees and its individual directors are performing effectively.

Audit and Risk Committee and Relationship with Auditors

National Instrument 52-110 — *Audit Committees* requires the Company to disclose annually in its annual information form certain information relating to the Company's Audit and Risk Committee and its relationship with the Company's independent auditors. Please refer to section "Audit and Risk Committee Disclosure" in the Company's Annual Information Form dated September 30, 2013 and available on SEDAR at www.sedar.com.

MANAGEMENT CONTRACTS

Mr. Dennis Wilkins was appointed Chief Financial Officer of the Company effective July 1, 2013. Mr. Wilkins' services are provided by DWCorporate Pty Ltd pursuant to an agreement dated June 21, 2013 and charged for hourly at commercial rates. In addition, DWCorporate Pty Ltd provides office accommodation and other personnel to assist with administrative and accounting functions on as needed basis. Mr. Wilkins is the Principal of DWCorporate Pty Ltd. The services are able to be terminated on one month notice. Under the agreement, to date, A$153,870.65 has been paid with nil currently outstanding.

ADDITIONAL INFORMATION

Financial information is provided in the Company's annual audited financial statements and any interim financial statements submitted subsequent to the filing of the most recent annual financial statements and the Management's Discussion and Analysis ("**MD&A**") included in those statements.

Copies of these documents will be provided free of charge to Shareholders. The Company may require the payment of a reasonable charge by any person or company who is not a Shareholder of the Company, and who requests a copy of such document. Additional information (including the financial statements and MD&A referred to above) relating to the Company can be found at www.asx.com.au or at www.sedar.com.

APPROVAL

The contents of this management information circular and the sending thereof to the shareholders of the Company have been approved by the directors of the Company.

DATED as of this 26th day of November, 2013.

BY ORDER OF THE BOARD

(Signed) *Les Emery*
President and Chief Executive Officer

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SCHEDULE A

NEW DEBENTURES RESOLUTION

NOW THEREFORE BE IT RESOLVED THAT:

(i) For the purposes of ASX Listing Rule 7.1 and all other purposes, the issuance of each of the New Debentures to Sentient; and

(i) the issuance of the New Interest Debentures and the Additional Interest Debentures to Sentient and the terms of the Conversion Price Adjustment Provision;

in each case, as defined and on such terms as more particularly described in the management information circular of the Company dated November 26, 2013, are hereby ratified, approved and authorized and any one director or officer of the Company be and is hereby authorized and directed to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing.

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SCHEDULE B

BY-LAW AMENDMENT

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the following amendment to By-Law No. 1 of the Company, which shall be inserted following section 6 and preceding section 7 of By-Law No. 1 of the Company, is hereby confirmed:

"**6A. Nominations.**

Subject to the provisions of the Act and the articles of the Company, only persons who are nominated in accordance with the procedures set out in this section 6A shall be eligible for election as directors.

Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of one or more directors. Such nominations must be made:

(a) by or at the direction of the board (or any duly authorized committee thereof), including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal within the meaning of, and made in accordance with, the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or

(c) by any person (a "**Nominating Shareholder**"): (i) who, at the close of business on the date of the giving of the notice provided for below in this section 6A and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set out below in this section 6A.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder pursuant to paragraph (c) above, the Nominating Shareholder must have given notice thereof that is both timely and in proper written form (as set out below in this section 6A) to the Secretary of the Company at the principal executive office of the Company.

To be timely, a Nominating Shareholder's notice to the Secretary of the Company must be made:

(a) in the case of an annual meeting of shareholders, not less than 30 days and not more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement (as defined below) of the date of the annual meeting of shareholders was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(b) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of notice by a Nominating Shareholder set out above shall in all cases be determined based on the original date of the applicable annual meeting of shareholders or special meeting of shareholders, as applicable, and in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of such notice.

To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set out:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election to the board: (i) the name, age, business address and residential address of the person; (ii) the principal occupation or employment of the person; (iii) the country of residence of the person; (iv) the class or series and number of shares in the capital of the Company that are controlled or directed or that are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with a solicitation of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice: (i) full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company; and (ii) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Company may require any proposed nominee for election as a director to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director unless nominated in accordance with this section 6A; provided, however, that nothing in this section 6A shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act.

The Chairman of the meeting of shareholders shall have the power and duty to determine whether a nomination of a person for election to the board was made in accordance with this section 6A and, if the Chairman determines that a nomination does not comply with this section 6A, to declare that such defective nomination shall be disregarded.

For the purposes of this section 6A:

(a) "**public announcement**" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com; and

(b) "**Applicable Securities Laws**" means the applicable securities legislation, as amended from time to time, of each province and territory of Canada, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission or similar regulatory authority of each province and territory of Canada.

Notwithstanding any other provision of the by-laws, notice given to the Secretary of the Company pursuant to this section 6A may only be given by personal delivery, email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this notice) or facsimile transmission, and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive office of the Company or delivered to the Secretary by email (at the aforesaid email address) or facsimile transmission (provided that receipt of confirmation of such facsimile transmission has been received); provided that if such delivery is made on a non-business day or later than 5:00 p.m. (Toronto time) on a day that is a business day, then such delivery shall be deemed to have been made on the next following day that is a business day.

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Notwithstanding any of the foregoing, the board may, in its sole discretion, waive any requirement in this section 6A.

2. any officer or director of the Company is authorized and directed on behalf of the Company to execute and deliver all such documents and to do all such acts as may be necessary or desirable to give effect to this resolution.

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SCHEDULE C

VALUATION AND FAIRNESS OPINION

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GMP Securities L.P.
145 King Street West, Suite 300
Toronto, Ontario M5H 1J8
Tel: (416) 367-8600 Fax: (416) 367-8164

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28 November, 2013

The Special Committee of Independent Directors
Marengo Mining Limited
3400 One First Canadian Place
100 King Street West
Toronto, ON, M5X 1B8
Canada

Dear Sirs:

GMP Securities L.P. ("GMP", "we" or "us") understands that Marengo Mining Limited ("Marengo", or the "Company") has entered into an agreement (the "Agreement") with Sentient Executive GP IV, Limited for the General Partner of Sentient Global Resources Fund IV, L.P. ("Sentient"), setting out the terms of a refinancing transaction whereby Marengo's debt owing to Sentient under the unsecured debt facility of aggregate principle amount $10,000,000, dated February 6, 2013, as amended, due December 31, 2013, along with accrued interest of $323,293 thereon, and Marengo's unsecured convertible debentures of aggregate principle amount $17,048,480, dated May 27, 2013, will be restructured into a single class of new convertible securities (the "New Debentures") issued by Marengo to Sentient. The foregoing is referred to herein as the "Proposed Transaction".

The New Debentures will bear an interest rate of 9% per annum, payable semi-annually in arrears on April 30 and October 30 of each year and will mature on June 30, 2016. Each $1,000 face value debenture will be convertible into common shares of the Company ("Marengo Shares") at a price of C$0.02 per common share.

GMP further understands that:

i) Sentient presently owns approximately 21.97% of the issued and outstanding common shares of Marengo (the "Sentient Shareholding");

ii) An aggregate principle amount of $27,371,773 of New Debentures are to be issued to Sentient pursuant to the Proposed Transaction, which when taken together with the Sentient Shareholding, and assuming conversion of principle and interest thereof, represent approximately 64.52% of the share capital of the Company;

iii) the Proposed Transaction would constitute a "related party transaction" for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and therefore requires a formal valuation (the "Valuation") as required under MI 61-101;

iv) the board of directors of Marengo (the "Board of Directors") has constituted a special committee of independent directors of the Company (the "Special Committee") to consider and evaluate the terms of the Proposed Transaction and to report thereon to the Board of Directors; and

v) the Special Committee has retained GMP to prepare and deliver to the Special Committee the Valuation in accordance with the requirements of MI 61-101 and By-Law 29 of the Investment Industry Regulatory Organization of Canada ("IIROC") (collectively the "Policies").

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Given the nature of the Proposed Transaction and the specific circumstances in which it is to be conducted, specifically the potential for a controlling stake of the Company to be held by Sentient following the conversion of the New Debentures, GMP, has for the purpose of this Valuation considered the New Debentures as equivalent to the underlying common shares of the Company, and as such has not considered any option value inherent in the New Debentures. The terms "Marengo Shares" and "New Debentures" are hereafter referred to interchangeably in this document.

We also understand that all of the material terms of, and risks associated with, the Proposed Transaction will be described in a management information circular (the "Circular"), which will be prepared by the Company in compliance with applicable laws, regulations, policies and rules and will be mailed to shareholders of Marengo in connection with a special meeting of the shareholders of Marengo (the "Special Meeting") to be convened.

All dollar amounts herein are expressed in U.S. dollars, unless stated otherwise.

Engagement of GMP

GMP was first contacted by Marengo on October 23, 2013, with respect to the Proposed Transaction. GMP was formally retained by the Special Committee pursuant to a letter agreement dated November 18, 2013 (the "Engagement Agreement"), to prepare and deliver to the Special Committee a formal valuation of Marengo in accordance with the requirements of MI 61-101, and under the supervision of the Special Committee.

The Engagement Agreement provides for the payment of a fee to GMP upon delivery of our Valuation to the Special Committee. None of the fees payable to us under the Engagement Agreement is contingent upon the conclusions reached by us in the Valuation, or upon the completion of the Proposed Transaction. In addition, the Company has agreed to reimburse GMP for its reasonable expenses and to indemnify GMP in respect of certain liabilities that might arise out of its engagement. The fees payable to GMP pursuant to the Engagement Agreement are not financially material to GMP. No understandings or agreements exist between GMP, Marengo and/or Sentient with respect to the provision of future financial advisory or investment banking services.

Subject to the terms of the Engagement Agreement, GMP has consented to the inclusion of the Valuation in its entirety, in a form acceptable to GMP, acting reasonably, in the Circular and documents filed with the securities commissions or similar regulatory authorities in each applicable province of Canada.

Credentials of GMP

GMP is a wholly-owned subsidiary of GMP Capital Inc., which is a publicly traded investment banking firm listed on the Toronto Stock Exchange with offices in Toronto, Calgary and Montreal, Canada, in New York, Dallas and Miami, U.S.A., in London, England and in Perth and Sydney, Australia. GMP is a leading independent Canadian investment dealer focused on investment banking and institutional equities sales and trading for corporate clients and institutional investors. As part of our investment banking activities, we are regularly engaged in the valuation of securities in connection with mergers and acquisitions, public offerings and private placements of listed and unlisted securities and regularly engage in market making, underwriting and secondary trading of securities in connection with a variety of transactions. GMP is not in the business of providing auditing services and is not controlled by a financial institution.

The opinions expressed herein are the opinions of GMP, and the form and content hereof has been approved for release by a group of professionals of GMP, each of whom is experienced in merger, acquisition, divestiture, fairness opinion and valuation matters.

Independence of GMP

Neither GMP nor any of its affiliated entities (as such term is defined for the purposes of the MI 61-101):

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i) is an associated or affiliated entity or issuer insider (as such terms are defined for the purposes of MI 61-101) of the Company;

ii) is an advisor to the Company or Sentient in connection with the Proposed Transaction;

iii) is a manager or co-manager of a soliciting dealer group for the Proposed Transaction (or a member of the soliciting dealer group for the Proposed Transaction providing services beyond the customary soliciting dealer's functions or receiving more than the per security or per security holder fees payable to the other members of the group);

iv) is the external auditor of the Company, Sentient or any of their respective associates or affiliates; or

v) has a material financial interest in the completion of the Proposed Transaction.

GMP has not been engaged to provide any financial advisory services nor has it participated in any underwriting involving the Company or any of its associates or affiliates during the past 24-month period preceding the date GMP was first contacted in respect of the Valuation.

GMP acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of the Company or any of its associates or affiliates, and, from time to time, may have executed or may execute transactions on behalf of such companies or other clients for which it may have received or may receive compensation. As an investment dealer, GMP conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Proposed Transaction, the Company, Sentient or their respective associated or affiliated entities.

The fees paid to GMP in connection with the Engagement Agreement do not give GMP any financial incentive in respect of the conclusions reached in the Valuation or the outcome of the Proposed Transaction and are not financially material to GMP. No understandings or agreements exist between GMP and the Company or Sentient with respect to future financial advisory or investment banking business. GMP may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Company, Sentient or their respective associated or affiliated entities.

Prior Valuations

Marengo have represented to GMP that, among other things, they have no knowledge of any prior valuations or appraisals relating to the Company of any of its material subsidiaries or any of their respective securities, material assets, or liabilities made in the past 24 months and in the possession of the Company.

GMP is aware of the preliminary economic assessment filed on SEDAR on November 9, 2007 (and the amended and restated version filed on SEDAR on February 6, 2008) (the "PEA"), which has been superseded and not considered relevant by GMP.

Scope of Review

In connection with our preparation of the Valuation, we have reviewed and, where we deemed appropriate, relied upon and in some cases carried out, among other things, the following:

i) Marengo's Annual Information Form for the financial year ended June 30, 2013, dated September 30, 2013;

ii) Marengo's press releases, material change reports and material documents filed on SEDAR;

iii) Marengo's audited consolidated financial statements and Management's Discussion and Analysis for the financial years ending 2011, 2012 and 2013;

iv) Marengo's unaudited interim financial statements and Management's Discussion and Analysis for the period ending September 30, 2013;

v) Marengo's Management Information Circular dated June 17, 2013;

vi) Marengo's Management Information Circular dated November 12, 2012;

vii) Marengo's Management Information Circular dated October 4, 2012;

viii) The NI 43-101 compliant technical report on the Yandera Copper-Molybdenum-Gold Project, Mandang Province, Papua New Guinea prepared by Corvidae Pty Ltd as trustee for Ravensgate Unit Trust trading as Ravensgate, dated May 14, 2012;

ix) Previously filed technical, and other historic information;

x) Selected public market trading statistics and relevant business and financial information of Marengo and other comparable publicly traded entities;

xi) Relevant financial information and selected financial metrics with respect to precedent transactions deemed relevant by GMP;

xii) Certificates addressed to us, dated as of the date hereof, from two senior officers of the Company as to the completeness and accuracy of the information provided to us by the Company;

xiii) Such other corporate, industry and financial market information, investigations and analyses as GMP considered necessary or appropriate in the circumstances;

In addition to the above, we have held discussions with the senior management team of the Company regarding the Company's assets, operations, business plan and the Company's financial position and prospects.

To the best of our knowledge, GMP has not been denied access to any information we requested in preparation of this Valuation.

This Valuation has been prepared in accordance with MI 61-101 and the Disclosure Standards for Formal Valuations contained in By-Law 29 of IIROC, but IIROC has not been involved in the preparation or review of the Valuation.

Assumptions and Limitations

With the approval of the Special Committee and as provided for in the Engagement Agreement, GMP has relied upon, and has assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or its affiliates, associates or advisors, or otherwise obtained by us pursuant to our engagement (collectively, the "Information"), and this letter is conditional upon such completeness, accuracy and fair presentation of such Information. Without limiting the generality of the foregoing, our descriptions in this letter of the Company and its respective assets, businesses and operations are derived from the Information that we have obtained from the Company or its affiliates, associates or advisors or from publicly available sources. Subject to the exercise of our professional judgement and except as expressly described herein, we have not been requested to or attempted to verify independently the accuracy, completeness or fairness of the presentation of any such Information, data,

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advice, opinions and representations. GMP has not met with the independent auditors of the Company in connection with preparing this Valuation and has assumed the accuracy and fair presentation of, and relied upon, the audited consolidated financial statements and the reports of the auditors thereon, as well as the unaudited interim financial statements of the Company.

With respect to the historical financial data, operating and financial forecasts and budgets provided to us concerning Marengo and its business and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on the bases reflecting the most reasonable assumptions, estimates and judgements of management of the Company in regard to the Company's business, plans, taxation levels, financial condition and prospects of the Company.

We have also assumed that all of the representations and warranties contained in the Agreement executed by Marengo and Sentient will be correct as of the date thereof and that the Proposed Transaction will be completed substantially in accordance with the terms of such arrangement agreement and all applicable laws and that the Circular will disclose all material facts relating the Proposed Transaction and will satisfy all applicable legal requirements.

The Company has represented to GMP, in a certificate of two senior officers of the Company, dated the date hereof, among other things, that (i) the Information, data and other material (financial or otherwise) provided to us by or on behalf of the Company, including written information and information provided orally in discussions concerning the Company, including the materials referred to above under the heading "Scope of Review" are complete, true and correct as at the date the Information was provided to us and did not contain any untrue statement of a material fact in respect of the Company, its subsidiaries or the Proposed Transaction and did not omit to state a material fact in respect of the Company, its subsidiaries or the Proposed Transaction necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; and (ii) since the date on which the Information was provided to GMP, except as disclosed in writing to GMP, there has been no material change, financial or otherwise, in the financial condition, assets or liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material adverse impact on the conclusions provided in this Valuation.

This Valuation is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company and its respective subsidiaries, as they are reflected in the Information and as they have been represented to GMP in discussions with the management and employees of the Company and its advisors. In our analysis and in connection with the preparation of this Valuation, GMP has made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of either party involved in the Proposed Transaction.

This Valuation has been provided for the exclusive use of the Special Committee and, other than as permitted by the Engagement Agreement or herein, may not be used by any other person or relied upon by any other person other than the Special Committee and the Board of Directors, or used for any other purpose, without the express prior written consent of GMP in each specific instance. This Valuation is not intended to be and does not constitute a recommendation to the Board of Directors as to whether they should approve the Proposed Transaction, nor as a recommendation to any shareholder as to how to vote or act at the Special Meeting or as an opinion concerning the trading price or value of any securities of the Company following the announcement or completion of the Proposed Transaction.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Proposed Transaction or the sufficiency of this letter for the Company's purposes.

GMP has prepared this Valuation of Marengo Shares pursuant to MI 61-101 as required in order for the Company to satisfy its obligations under applicable securities laws. GMP believes that its analyses must

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be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all the factors and analyses together, could create a misleading view of the process underlying the Valuation. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to an undue emphasis on any particular factor or analysis.

The Valuation and its conclusions are given as of the date hereof and GMP disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Valuation which may come or be brought to GMP's attention after the date hereof, except as required by us in accordance with MI 61-101. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Valuation after the date hereof, GMP reserves the right to change or modify the Valuation in accordance with the terms of the Engagement Agreement.

Marengo Overview

Introduction

Marengo is a Canadian company primarily engaged in the development of the Yandera Copper-Molybdenum-Gold Project and surrounding exploration tenements located in Mandang Province, Papua New Guinea.

The Company was initially incorporated in Australia as Paladin Exploration Pty Limited on February 6, 2002, before being renamed Marengo Mining Pty Limited on April 23, 2002. On May 13, 2002 the Company changed its name to Marengo Mining Limited and changed its status to that of an unlisted public company on May 30, 2002 ahead of a listing on the Australian Securities Exchange ("ASX") on November 12, 2003. The Company subsequently completed secondary listings on the Port Moresby Stock Exchange ("POMSoX") and Toronto Stock Exchange ("TSX") on November 10, 2006 and April 16, 2008 respectively.

The Company completed a re-domicile to Canada from Australia on January 11, 2013.

Trading Summary

The common shares of the Company are listed on the TSX under the symbol "MRN", on the ASX as CHESS Depository Interests ("CDIs"), under the symbol "MMC" and on the POMSoX under the symbol "MMC". On the date hereof there are 1,137,870,521 common shares outstanding.

The common shares were previously listed on the ASX under the symbol "MGO" until close of trading on January 3, 2013; delisting at that time in connection with the re-domicile of the Company to Canada from Australia.

The following table sets forth information relating to the trading of the common shares on the TSX and the ASX for the periods indicated.

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Period	TSX Closing Price (C$) High	TSX Closing Price (C$) Low	TSX Volume	ASX Closing Price (A$) High	ASX Closing Price (A$) Low	ASX Volume
2012						
November 29 to November 30	$ 0.15	$ 0.15	251,120	$ 0.14	$ 0.14	925,014
December	$ 0.16	$ 0.14	2,182,061	$ 0.15	$ 0.13	4,656,019
2013						
January	$ 0.15	$ 0.14	2,337,681	$ 0.15	$ 0.13	5,549,960
February	$ 0.17	$ 0.14	6,837,703	$ 0.18	$ 0.13	14,318,351
March	$ 0.14	$ 0.13	2,520,665	$ 0.14	$ 0.13	7,619,826
April	$ 0.14	$ 0.09	1,695,191	$ 0.13	$ 0.08	5,772,867
May	$ 0.08	$ 0.04	2,806,971	$ 0.09	$ 0.05	9,625,016
June	$ 0.06	$ 0.02	15,530,441	$ 0.06	$ 0.03	13,731,189
July	$ 0.03	$ 0.02	23,356,743	$ 0.03	$ 0.02	29,930,731
August	$ 0.03	$ 0.02	62,220,158	$ 0.03	$ 0.02	58,691,637
September	$ 0.03	$ 0.02	17,197,988	$ 0.04	$ 0.02	72,895,668
October	$ 0.03	$ 0.02	30,243,674	$ 0.03	$ 0.02	54,260,772
November 1 to November 28	$ 0.03	$ 0.02	6,793,392	$ 0.02	$ 0.02	42,458,317

Source: FactSet

The closing price on November 28, 2013 was C$0.018 on the TSX and A$0.018 on the ASX.

Yandera Project

The 100% owned Yandera Copper-Molybdenum-Gold Project located in Mandang Province, Papua New Guinea is the Company's principle asset.

In April 2005, the Company, through its wholly owned subsidiary Marengo Mining (PNG) Limited, reached an agreement with Papua New Guinean private company Belvedere Limited ("Belvedere") whereby it would earn a 50% interest in the Yandera Project by spending $500,000 on exploration by April 2007. Marengo satisfied this expenditure requirement in early 2006 and earned a 50% interest. In February 2006 the Company reached an agreement to acquire the remaining 50% interest in the Yandera Project by way of the purchase of all of the issued and outstanding shares of Belvedere for consideration of A$3,000,000 cash, the issue of 12,000,000 common shares of Marengo and the issue of 6,000,000 options to acquire common shares of Marengo at a price of A$0.20 per share.

An initial resource estimate for the property was released in September 2006, based on the results of which the Company commissioned a conceptual mining study ("CMS"), including preliminary mine design, metallurgical testwork, process plant flowsheet design and capital and operating cost estimates. The CMS was completed in July 2007 and based on the positive results thereof the Company made the decision to proceed with a feasibility study ("FS"). Updated mineral resource estimates were subsequently released in May 2007, October 2008, April 2011 and May 2012.

The first phase of work to support the FS, comprising a comparative development option analysis study, was completed in April 2008. The second phase of work to support the FS commenced in May 2008 and continues to be ongoing. This second phase includes detailed process plant design, mine design, metallurgical testwork, tailings and concentrate pipeline design, route selection, geotechnical studies, equipment selection and infrastructure layout. Significant work is still outstanding in a number of areas, including crucially, the identification of a feasible power solution for the project following the withdrawal of a third party power supplier from proposed power supply arrangements.

The current NI 43-101 compliant mineral resource estimate, at a 0.20% copper cut-off grade, for the Yandera Project is outlined in the below table. No mineral reserve estimate has been calculated for the

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Yandera Project.

Category	Tonnes (Mt)	Cu Grade (%)	Mo Grade (ppm)	Au Grade (ppm)	Contained Cu (kt Cu)	Contained Mo (kt Mo)	Contained Au (koz Au)
Measued	314	0.38	104.6	0.085	1,193	33	858
Indicated	172	0.35	52.7	0.048	602	9	265
Measured and Indicated	**486**	**0.37**	**86.2**	**0.070**	**1,795**	**42**	**1,124**
Inferred	347	0.31	37.8	0.030	1,076	13	335

Source: NI 43-101 compliant technical report on the Yandera Copper-Molybdenum-Gold Project, Mandang Province, Papua New Guinea prepared by Corvidae Pty Ltd as trustee for Ravensgate Unit Trust trading as Ravensgate, dated May 14, 2012

Financial Position

On February 6, 2013 the Company announced that Sentient had provided Marengo with a $10,000,000 interest bearing, unsecured debt facility (the "Facility"), due December 31, 2013, to facilitate the completion of the FS. This facility is currently fully drawn, with $323,293 of interest accrued.

On August 12, 2013 the Company announced it had competed the final tranche of a private placement of 15,000 convertible unsecured debentures (the "Debentures") to Sentient, each of par value $1,000 for gross aggregate proceeds of $15,000,000. The Debentures are convertible into common shares of the Company at a conversion price of C$0.11 per common share. The Debentures mature on June 30, 2016 and carry an interest rate of 9% per annum, which will be satisfied through the issuance of additional Debentures. There is presently $17,048,480 aggregate principle amount of Debentures issued and outstanding.

As at 30 September, 2013 the Company has a cash balance of $7,278,000, insufficient to meet its liabilities due under the Facility on December 31, 2013.

Valuation

Definition of Fair Market Value

For purposes of the Valuation and in accordance with MI 61-101, fair market value ("Fair Market Value") means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and each under no compulsion to act. GMP has not made any downward adjustment to the value of Marengo Shares to reflect the liquidity of Marengo's Shares, the effect of a transaction on the Marengo Shares, or whether or not the Marengo Shares form part of a controlling interest. Consequently, the Valuation provides a conclusion on a per Marengo Share basis with respect to Marengo's "en bloc" value, being the price at which all the Marengo Shares could be sold to one or more buyers at the same time.

Approach to Valuation

The Valuation is based upon techniques and assumptions that GMP considers appropriate in the circumstances for the purposes of arriving at an opinion as to the range of fair market value of Marengo.

Valuation Methodologies

In determining the value of Marengo, GMP considered three different valuation methodologies:

i) discounted cash flow ("DCF") approach;

ii) comparable company analysis approach; and

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iii) precedent transaction approach.

Discounted Cash Flow Approach

The discounted cash flow approach involves calculating the present value of the unlevered, after-tax, free cash flows over the life of a mining asset, in this case the Yandera Project, utilizing a prescribed discount rate. Given the stage of development of the Yandera Project, particularly the lack of a scoping or feasibility study and the fact that several key items of the development strategy remain undecided, it is the view of GMP that the discounted cash flow approach would not yield reliable results, as such, GMP has not placed any reliance on this approach as part of our Valuation.

Comparable Company Analysis

In the comparable company analysis approach GMP identified a universe of publically listed comparable copper focused development stage companies; considering asset location, development stage, resource size, grade and presence of valuable by-products, among other factors, in the selection of the peer group. Given the stage of development of Marengo's Yandera Project, particularly the pre-production nature of the project and lack of any detailed economic parameters on which to calculate a net asset value ("NAV"), we see the enterprise value / in-situ resource metric as the most appropriate metric with which to compare the group.

In deriving an implied Fair Market Value per Marengo Share, GMP applied the average EV / attributable copper equivalent resource to Marengo's NI 43-101 compliant resource base.

In calculating the copper equivalent resource for each company in the peer group GMP has assumed 100% recoveries and commodity prices in line with analyst consensus long term forecasts.

Precedent Transaction Analysis

The Precedent Transactions approach considers transaction valuations in the context of the purchase or sale of a comparable company or asset. The prices paid for copper development companies and assets and their implied multiples provide a general measure of relative value. Factors such as asset location, development stage, resource size, grade and presence of valuable by-products, as well as the spot price of copper and relevant by-products at the time of the transaction are all factors that should be considered in assessing comparability.

GMP has reviewed and analyzed a range of both corporate and asset transactions having taken place in the copper sector over the preceding 24 months; however the lack of transactions concerning companies or assets of sufficient similarity to the Yandera Project or Marengo leads us to the view that any such comparison would not lead to an accurate assessment of the Fair Market Value of the Company. As such, GMP has not placed any reliance on precedent transactions as part of our Valuation.

Application of Valuation Methodologies

In calculating the Fair Market value for Marengo Shares GMP relied solely on the comparable company analysis approach, using a peer group of companies which GMP considered in its professional judgement to be the most directly comparable to Marengo.

The peer group is comprised of companies currently engaged in the exploration and/or development phase of one or more copper projects of comparable scale to Marengo, which have a NI 43-101 or Australian Joint Ore Reserves Committee ("JORC") resource and are listed on an internationally recognized stock exchange (the "Peer Group"). Companies with assets currently in production were excluded from the Peer Group on the basis that they are less directly comparable with Marengo.

The Peer Group is the following nine copper development companies considered comparable.

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Company	Locations	Price (local)	Mkt. Cap. (US$m)	Ent. Val. (US$m)	Attrib. CuEq (kt)	EV / kt CuEq (US$)
Panoro Minerals Ltd.	Peru	0.32	61.9	50.3	4,128	12.2
Rex Minerals Limited	Australia	0.39	67.0	48.4	3,221	15.0
Highlands Pacific Limited	PNG	0.07	51.2	41.0	3,646	11.2
Baja Mining Corp.	Mexico	0.02	4.8	10.7	488	21.9
Metminco Limited	Peru, Chile	0.04	60.4	51.0	7,791	6.6
Bezant Resources Plc	Philippines	0.17	23.4	21.0	2,077	10.1
Aqm Copper Inc.	Peru	0.11	11.0	10.8	798	13.5
Candente Copper Corp.	Peru	0.21	24.2	20.7	4,588	4.5
Mean						**11.9**

Source: FactSet, company filings

For the purposes of the enterprise value / resource methodology, GMP used a high and low multiple estimated by applying a 10% variance to the mean copper equivalent multiple of the Peer Group to arrive at an implied value for Marengo Shares. The calculations for both the high and low case are set forth below.

Case	Attrib. CuEq (kt)	Peer Group EV / kt CuEq	Implied EV (US$m)	Implied Mkt. Cap. (US$m)	Per Share Value (C$/sh)
US$ / kt copper equivalent (high)	3,013	13.1	39.4	22.2	0.0207
US$ / kt copper equivalent (low)	3,013	10.7	32.2	15.0	0.0141

Valuation Conclusion

Based upon and subject to the foregoing and such other factors as GMP considered relevant, GMP is of the opinion that, as of the date hereof, the Fair Market Value of the Marengo Shares is in the range of C$0.0141 to C$0.0207 per share.

Fairness Opinion

Approach to Fairness

In considering the fairness of the Proposed Transaction, GMP has primarily considered and relied upon the range of the Fair Market Value of the Marengo Shares under the Valuation and other such information, investigation and analysis considered necessary or appropriate, in its professional judgement, in the circumstances.

Opinion Conclusion

Based upon our analysis and subject to all of the foregoing and such other matters as we have considered relevant, GMP is of the opinion that, as of the date hereof, the Proposed Transaction is fair, from a financial point of view, to the shareholders of the Company other than Sentient.

Yours very truly,

(signed) *"GMP Securities L.P."*

GMP SECURITIES L.P.

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MARENGO MINING LIMITED
COMPANY NO. 822513-3

Computershare
8th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1
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Security Class

Holder Account Number

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Form of Proxy - Annual and Special Meeting to be held on Tuesday, January 14, 2014

This Form of Proxy is solicited by and on behalf of Management.

Notes to proxy

1. **Every holder has the right to appoint some other person or company of their choice, who need not be a holder, to attend and act on their behalf at the meeting or any adjournment or postponement thereof. If you wish to appoint a person or company other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided (see reverse).**
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you must sign this proxy with signing capacity stated, and you may be required to provide documentation evidencing your power to sign this proxy.
3. This proxy should be signed in the exact manner as the name(s) appear(s) on the proxy.
4. If this proxy is not dated, it will be deemed to bear the date on which it is mailed by Management to the holder.
5. **The securities represented by this proxy will be voted as directed by the holder, however, if such a direction is not made in respect of any matter, this proxy will be voted as recommended by Management.**
6. The securities represented by this proxy will be voted in favour or withheld from voting or voted against each of the matters described herein, as applicable, in accordance with the instructions of the holder, on any ballot that may be called for and, if the holder has specified a choice with respect to any matter to be acted on, the securities will be voted accordingly.
7. This proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the meeting or any adjournment or postponement thereof.
8. This proxy should be read in conjunction with the accompanying documentation provided by Management.

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Proxies submitted must be received by 10:00 am, Toronto Time, on January 10, 2014.

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Appointment of Proxyholder

I/We, being holder(s) of MARENGO MINING LIMITED hereby appoint:
John Hick, Chairman, or failing him, Dean Richardson, VP Investor Relations and Corporate Secretary,

OR

Print the name of the person you are appointing if this person is someone other than the Management Nominees listed herein.

as my/our proxyholder with full power of substitution and to attend, act and to vote for and on behalf of the shareholder in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) and all other matters that may properly come before the Annual and Special Meeting of shareholders of MARENGO MINING LIMITED to be held at the offices of Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario, on Tuesday, January 14, 2014 at 10:00 am (Toronto time) and at any adjournment or postponement thereof.

VOTING RECOMMENDATIONS ARE INDICATED BY HIGHLIGHTED TEXT OVER THE BOXES.

1. **Election of Directors**

	For	Withhold		For	Withhold		For	Withhold
01. John Hick	☐	☐	02. Elizabeth Martin	☐	☐	03. Ian Hume	☐	☐
04. Keith Morrison	☐	☐	05. Les Emery	☐	☐	06. Sir Rabbie Namaliu	☐	☐
07. Pieter Britz	☐	☐						

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	For	Withhold
2. **Appointment of Auditors** Appointment of PricewaterhouseCoopers LLP as auditors of the Corporation for the ensuing year and authorizing the directors to fix their remuneration.	☐	☐

	For	Against
3. **New Debentures Resolution** To consider and, if deemed advisable, approve the New Debentures Resolution set forth in Schedule A to the accompanying management information circular of the Corporation.	☐	☐

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	For	Against
4. **Amendment to By-Laws (Advance Notice Requirement)** To consider and, if deemed advisable, to pass a resolution, with or without variation, approving and confirming an amendment to the by-laws of the Corporation (By-Law No. 1). The full text of the resolution is set forth in Schedule B of the accompanying management information circular of the Corporation.	☐	☐

Authorized Signature(s) - This section must be completed for your instructions to be executed.

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. **If no voting instructions are indicated above, this Proxy will be voted as recommended by Management.**

Signature(s)

Date

DD / MM / YY

Interim Financial Statements - Mark this box if you would like to receive Interim Financial Statements and accompanying Management's Discussion and Analysis by mail. ☐

Annual Financial Statements - Mark this box if you would NOT like to receive the Annual Financial Statements and accompanying Management's Discussion and Analysis by mail. ☐

If you are not mailing back your proxy, you may register online to receive the above financial report(s) by mail at www.computershare.com/mailinglist.