



Company No. 822513-3 / ARBN: 161 356 930
Marengo Mining (Australia) Limited (ABN: 57 099 496 474)
Yandera Mining Company Limited (Company No. 1-53202)
Marengo Mining (PNG) Limited (Company No. 1-76844)

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NEWS RELEASE

Marengo Announces Proposed Financing with Its Major Shareholder

Toronto, Ontario - October 13, 2015 - Marengo Mining Limited (TSX:MRN, POMSoX:MMC) ("Marengo" or the "Company") is pleased to announce it has entered into an agreement (the "Letter Agreement") with its major shareholder, Sentient Executive GP IV, Limited, acting as the general partner of Sentient GP IV, L.P., itself acting as the general partner of Sentient Global Resources Fund IV, L.P. (collectively, "Sentient") in connection with the proposed issuance of US\$14,000,000 principal amount of convertible unsecured debentures (the "Debentures"). In addition to the Company, its wholly-owned subsidiaries, Yandera Mining Company Limited and Marengo Mining (PNG) Limited (collectively, the "PNG Subsidiaries") have executed the Letter Agreement as guarantors of the Company's obligations under the Debentures. Sentient intends to subscribe for up to US\$14 million in Debentures to be issued in two tranches, with the first tranche of US\$7 million (the "First Tranche") to be completed following the approval of the Company's shareholders at the annual general and special meeting to be held on November 13, 2015, and the second tranche of US\$7 million (the "Second Tranche") to be completed five months after shareholder approval is obtained. These transactions are also subject to approval by the Toronto Stock Exchange ("TSX").

Subject to obtaining the necessary shareholder approval, Marengo will be completing a share consolidation whereby for every 100 Marengo common shares, one post-consolidation Marengo common share will exist (the "Consolidation").

The Debentures will mature on December 31, 2017, (the "Maturity Date"); the Debentures will not bear interest. Each US\$1,000 principal amount of Debentures will be convertible into common shares of the Company ("Common Shares") at a conversion price of C\$0.45 per Common Share (the "Conversion Price") on a post-Consolidation basis, rounded up to the nearest Common Share. Each Debenture will be convertible, in whole or in part, at the option of Sentient and at any time, into Common Shares, intended to be freely tradable on the TSX, at the Conversion Price, for each US\$1,000 principal amount of Debentures, subject to adjustment in certain circumstances as described below.

The conversion price for existing outstanding debentures of the Company held by Sentient pursuant to the terms of prior debenture financings between the Company and Sentient completed in 2014 (the "Prior Financings"), will be adjusted to CDN\$0.0045 per common share or CDI upon receiving the necessary shareholder approval, and further adjusted on the Consolidation being effective to CDN\$0.45 per

common share or CDI.

Sentient and its related entities currently hold approximately 22% of the issued and outstanding common shares of the Company and would hold approximately 95% of the common shares of the Company, assuming the conversion of all the Debentures issued in connection with the Transaction and the conversion by Sentient of all debentures issued and issuable pursuant to the Prior Financings.

The use of proceeds will primarily be for drilling and exploration work at the Yandera Project and the company's operations in PNG, exploration work at the La Cobota Project in Mexico, working capital and general corporate purposes.

"This financing allows Marengo to continue the budgeted work programs for the Company's Yandera and La Cobota Projects, and potentially pursue other base metal opportunities globally," commented Pieter Britz, President and CEO.

Marengo recently appointed André Wessels B.Eng, MBA, GAICD, MAusIMM, as VP Projects, responsible for commencing the work necessary to initiate the feasibility study for the Yandera Project. Mr. Wessels has more than 23 years experience in mining and related fields, steel, financial services and technology industries.

The Company has also appointed Jon Powell as VP PNG Operations to oversee all project related activities in PNG. Mr. Powell is an accomplished manager with over 25 years of international experience in the geophysical/mining exploration sector and has extensive background in global personnel management, logistics and operations.

The Company has also appointed Dr. Nathan Chutas as its Exploration Manager for the Yandera Project. Dr. Chutas has over 15 years of experience in mining and exploration, having worked on a variety of metallic resource projects in the US, Alaska, Mexico, South Africa and PNG.



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Cautionary Statement Regarding Forward-Looking Information

This news release contains forward looking information. Such forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or to be achieved and any other similar expressions. In providing the forward-looking information in this news release, the Company has made numerous assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) that the results of the feasibility study continue to be positive; and (iv) that future exploration results are as anticipated. Management believes that these assumptions are reasonable. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking information, including a actual results of exploration. Some of these risks, uncertainties and other factors are described under the heading "Risks Factors" in the Company's annual information form available on the *SEDAR* website. Forward-looking information is based on estimates and opinions of management at the date the statements are made. Except as required by law, Marengo does not undertake any obligation to update forward-looking information even if circumstances or management's estimates or opinions should change. Readers should not place undue reliance on forward-looking information.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include the actual results of exploration activities, changes in market conditions, risks relating to international operations, fluctuating metal prices and currency exchange rates, and other risks of the mining industry. Although Marengo has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Marengo undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent they involve estimates of the mineralization that will be encountered if the property is developed. Reference is made to the most recent annual information form of Marengo filed with Canadian securities regulators which includes further discussion of the risk factors which may impact the business and operations of Marengo.

