COMPANY NO. 822513-3 / ARBN: 161 356 930

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTH PERIODS ENDED MARCH 31, 2014

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("**MD&A**") for Marengo Mining Limited ("**Marengo**" or the "**Company**") should be read in conjunction with the unaudited interim consolidated financial statements of Marengo for the three and nine months ended March 31, 2014 ("Q3 2014" and "YTD 2014", respectively the "Financial Statements") and with the audited consolidated financial statements for the fiscal year ended June 30,2013 ("FY 2013") and related notes thereto (together, the "**FY 2013 Financials**"). This information is presented as of May 12, 2014. The financial statements (and the financial information contained in this MD&A) were prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("IASB"), including International Accounting Standard ("IAS") 34, Interim Financial Reporting.

All amounts in this discussion are expressed in United States dollars ("USD") unless otherwise indicated.

In this MD&A, references to "Company" or "Marengo" are references to Marengo Mining Limited and its wholly-owned subsidiaries.

The Financial Statements and other information about the Company and its business activities are available on the Canadian SEDAR website.

1. Company Overview

Marengo is an international mineral exploration and development company listed on the Toronto Stock Exchange (the "**TSX**") (Symbol: MRN), Australian Securities Exchange (the "**ASX**") and the Port Moresby Stock Exchange Limited ("**POMSoX**") (Code: MMC).

The Company's principal asset is the Yandera copper-molybdenum-gold project (the "**Yandera Project**") in Papua New Guinea. The Company is currently focused on advancing the development of the Yandera Project.

Between 2006 and 2012, the Company drilled 448 exploration, resource and geotechnical drill-holes and drove two adits (respectively 50m and 71m long) to test various mineralised zones across the Yandera Project.

In September 2006, the Company commissioned a conceptual mining study (the "**CMS**") for the Yandera Project to include a preliminary mine design and open pit optimisation, metallurgical testwork, plant flowsheet design and throughput options and capital and operating cost estimates. In July 2007, the CMS was completed and, based on the positive results thereof, the Company determined to proceed with a feasibility study (the "**FS**").

Phase 1 of the work to support the FS was completed in April 2008 and comprised a comparative development options analysis study that delivered positive results. Phase 2 of the work to support the preparation of the FS commenced in May 2008 and is ongoing. The Phase 2 FS work involves metallurgical testwork, mine design, process plant design, tailings and concentrate pipeline design, route selection, geotechnical studies, equipment selection and infrastructure layout. The Phase 2 FS work also includes identification and consideration of options for project infrastructure, processing facility locations and transportation in order to reduce initial capital costs.

The Company's Board of Directors announced on May 17, 2013 that additional work is required in a number of specific areas before a final FS could be completed, including the identification of an alternative cost-competitive source of power for the Project after Marengo's preferred third party power provider decided to withdraw from the proposed power supply arrangements.

With the recent changes in the management team, the priority will be to conduct a comprehensive evaluation of the Yandera Project. As a part of this review, full geological audit of the Yandera resource, and a program to identify potential higher grade, near surface prospects aimed at significantly improving resource economics has commenced.

The Company currently has no source of earnings other than interest paid to it on its current cash position. In order to fund its ongoing exploration efforts and operations, Marengo has historically raised funds through the issuance of equity and debt securities from its major shareholders.

2. Third Quarter Highlights

Issuance of New Debentures

On January 15, 2014, the Company completed the issuance of $27,509,621 principal amount of convertible unsecured debentures to its major shareholder, Sentient, pursuant to a Loan Conversion and Debenture Exchange Agreement (the "Agreement") dated November 29, 2013.

Pursuant to the terms of the Agreement, Sentient has: (i) converted the unsecured interest-bearing debt facility in the aggregate principal amount $10,000,000, dated February 6, 2013, as amended, due on January 15, 2014, along with interest of $387,766 thereon, into new Debentures of the Company; (ii) exchanged its aggregate principal amount of $16,300,000 outstanding debentures (the "Sentient Outstanding Debentures") issued pursuant to the debenture purchase agreement, dated as of May 27, 2013, along with interest of $821,855 thereon, for new Debentures; and (iii) provided a letter of support to the Company, confirming, among other things, that Sentient will ensure the Company has sufficient funds to maintain solvency for a period of 12 months from the date of approval, being February 14, 2014 of the Company's December 31, 2013 interim consolidated financial statements.

Each $1,000 face value Debenture is convertible, at the option of Sentient, into common shares or Chess Depositary Interests ("CDIs") of the Company at a conversion price of C$0.02 per common share or CDI. The conversion price of the Debentures will be adjusted in the event there is a reorganisation of capital or an issue of new shares at below the conversion price. The Debentures will mature on June 30, 2016 and bear interest at a rate of 9% per annum, which interest shall be satisfied through the issuance of additional Debentures.

Dimbi Drilling Campaign

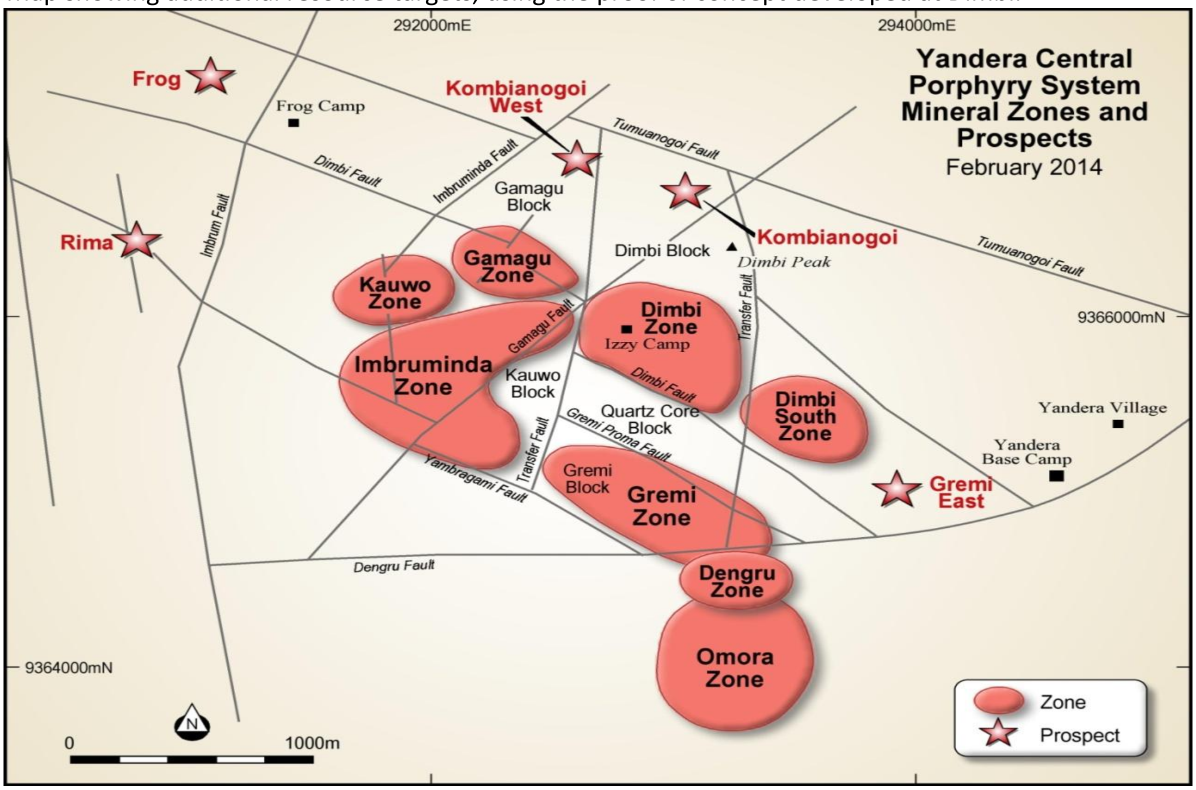
Drill campaign results at Dimbi proved successful and confirmed the concept of being able to target discreet higher grade mineralisation outside of the defined Yandera complex. This proof of concept will be used to further target additional resources.

Marengo announced the first results from the Dimbi drilling campaign in October 2013, with the first diamond drill hole of its campaign returning highly encouraging results of 129m of 0.53% Cu in YD 551.

By campaign's end on December 1, 2013, the Company had completed nine holes for a total of1833m, seven of which intersected mineralization.

Yandera Exploration

Map showing additional resource targets, using the proof of concept developed at Dimbi.



Safety, Health and Environment

Marengo places the highest level of importance on safety, health and environment in all areas where it is active.

The Yandera camp clinic continues to be staffed to treat Marengo employees and members of the local villages for their health needs.

Community Matters

Marengo is committed to working with the local community in all aspects of the current activities and future development plans for the Yandera Project. It maintains an effective and dedicated team to manage its community affairs programs.

3. Post Quarter Highlights

Appointment of New Senior Management Team

In April 2014, Marengo announced the appointment of two key senior executives. Mr Pieter Britz, a Company Director since July 2013, is Marengo's new Chief Executive Officer ("CEO"). Mr. Britz is an industrial engineer with over 20 years' experience as a mining professional, and has served on the board of a number of resource companies in Canada, Australia and China. Mr. Britz replaces Mr. Les Emery, who stepped down as CEO and as a director of the Company on April 22, 2014. Mr John Mears joins the Company as the Chief Operating Officer ("COO"),

Mr. Mears is a licensed geologist in the USA and is also a member of AusIMM. He has over 20 years experience in exploration and mining, and through his consulting firm, John has worked with The Sentient Group since the mid 1990s.

The Company also announced the retirement of Director Ian Hume.

Loan Agreement

On April 29, 2014, Marengo announced a $3 million loan agreement with The Sentient Group. Under the terms of the Loan Agreement, Sentient will provide Marengo with a loan facility of US$3,000,000 (the "Loan"). The Loan accrues interests monthly at a rate of 9% per annum, payable quarterly. The maturity date of the Loan is December 31, 2014.

Subject to applicable shareholder and regulatory approvals, the principal and interest accrued on the Loan may be payable by the Company through the issuance of common shares or other securities convertible into common shares of Marengo.

4. Overall Performance

As of January 1, 2014, the Company had cash reserves including cash and cash equivalents and investments in term deposits of $3,944,000.

The Company incurred exploration expenditures of $1,873,000 for Q3 2014 (for the three month period ended March 31, 2013 ("Q3 2013"): $7,467,000).

Loss after income tax for Q3 2014 amounted to $9,980,000 (Q3 2013: loss of $2,329,000).

The Company had cash reserves including term deposits of $935,000 as at March 31, 2014.

5. Results of Operations

As at March 31, 2014, the Company had a working capital deficiency of $19,530,000 (FY 2013: $8,691,000). The Company also recorded a loss of $13,576,000 for YTD 2014 (Nine months ended March 31, 2013 (YTD 2013) loss of $6,497,000), had net cash outflows from operations for YTD 2014 of $3,213,000 (YTD 2013: $4,498,000), and incurred expenditures of $8,578,000 (YTD 2013: $28,991,000) on the ongoing exploration expenditures for the Yandera Project.

Given the Company's current financial position and the ongoing exploration and evaluation expenditures on the Yandera Project, Marengo's major shareholder, Sentient Executive GP IV (Sentient) has agreed to provide financial assistance to Marengo. Note 9 to Financial Statements sets out the details of a new $3,000,000 loan facility, entered into in April 2014.

With this support from Sentient, the Directors are of the opinion that, as at the date of these interim consolidated financial statements, the Company is a going concern and, as a result, Financial Statements, do not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Three months ended March 31, 2014

Revenue from operations for Q3 2014 was $12,000 (Q3 2013: $58,000) and is comprised of interest revenue. The decrease in Q3 2014 was primarily due to a decrease in the balance of cash deposits earning interest as compared to Q3 2013.

Other loss for Q3 2014 was a loss of $5,962,000 (Q3 2013: Nil). The non-cash loss was primarily due to the movement in fair value of the derivative liability in relation to the conversion option of the convertible debentures. The major contributing factors to this loss was due to; the increase in fair value of the derivative liability because of Marengo's closing share price on March 31, 2014 of C$0.02, compared to a share price of $C0.015 at the inception date of the convertible debentures on January 15, 2014, and, the extinguishment of the previous debt and debenture instruments.

Salaries and employee benefits expense for Q3 2014 was $633,000 and closely approximated the costs in the prior year, (Q3 2013: $612,000).

During Q3 2014, the Company also incurred a non-cash write off of $475,000 on a forfeited property deposit, (Q3 2013: Nil). The deposit related to a land purchase agreement that the Company entered into on August 20, 2012. Due to circumstances relating to non-rezoning of the land and internal restructuring, the Company decided to withdraw from the purchase agreement.

Interest expense for Q3 2014 of $1,896,000 increased significantly when compared to interest expense in Q3 2013of $165,000. The higher interest represents the interest accrued for the quarter on the total of $27,509,621 new convertible notes issued on January 15, 2014 pursuant to a Loan Conversion and Debenture Exchange agreement approved by shareholders.

All other expenditures, including corporate, administration, occupancy and insurance expenditures totalled $904,000 for Q3 2014 (Q3 2013: $1,028,000). The decrease is due to the reduction in overhead costs resulting from the closure of the Company's Perth office.

Nine months ended March 31, 2014

Revenue from operations for YTD 2014 was $58,000 (YTD 2013: $341,000) and is comprised of interest revenue. The decrease in YTD 2014 was primarily due to a decrease in the balance of cash deposits earning interest as compared to YTD 2013.

Other loss for YTD 2014 was $5,447,000 (YTD 2013 income: $23,000). The loss is due to the movement in fair value of the derivative liability in relation to the conversion option of the convertible debentures. The loss for the period was partially reduced by other income as a result of adjustment of $409,000 made to share based payment expense relating to the performance rights issued on September 6, 2012 and October 12, 2012. The probability that the vesting conditions of these performance rights would be met prior to the expiry date was previously judged to be 100%, however this probability has been reassessed and reduced thus creating a recovery in YTD 2014.

Salaries and employee benefits expense for YTD 2014 was $1,346,000 (YTD 2013: $1,682,000). The decrease in the current year is primarily due to reduced number of staff due to the closure of the Company's Perth office.

Interest expense for YTD 2014 of $3,927,000 represents the interest accrued for the nine months on the convertible notes and loans provided to the Company by Sentient.

All other expenditures, including corporate, administration, occupancy and insurance expenditures totalled $2,252,000 for YTD 2014 (YTD 2013: $3,716,000). The decrease is due to the reduction in overhead costs resulting from the closure of the Company's Perth office and lower capitalization costs.

6. Summary of Quarterly Results

The following table sets out key financial results for the Company's most recently completed eight quarters. The financial data is derived from the Financial Statements.

Summary of Quarterly Results (US$'000)

US$'000	Quarter Mar 31, 14	Quarter Dec 31, 13	Quarter Sep 30, 13	Quarter Jun 30, 13	Quarter Mar 31, 13	Quarter Dec 31, 12	Quarter Sep 30, 12	Quarter Jun 30, 12
Total revenue	12	31	15	(147)	106	109	293	180
Net loss	(9,980)	(1,269)	(2,327)	(1,009)	(2,329)	(2,551)	(2,148)	(650)
Basic and diluted loss per share (cents)	(0.88)	(0.11)	(0.21)	(0.09)	(0.20)	(0.23)	(0.23)	(0.06)
Cash reserves	935	3,944	7,278	6,692	6,065	5,760	17,053	11,378
Total assets	141,090	164,561	161,154	182,470	184,602	180,576	183,868	174,434
Total long-term financial liabilities	15,256	14,967	14,273	6,833	-	-	-	-
Cash dividends declared per share	-	-	-	-	-	-	-	-

The Company's accounts are presented in United States dollars (USD). The Company primarily incurs costs in USD, Australian dollars (AUD), Canadian dollars (CAD) and Papua New Guinea kina (PGK) and as such are subject to exchange rate risk where transactions are in a currency other than the functional currency of the company. During Q3 2014, movement in exchange rates were as follows:

	March 31, 2014	December 31, 2013	High December 31 to March 31, 2014	Low December 31 to March 31, 2014
USD / CAD	1.1055	1.0697	1.1249	1.0627
USD / PGK	2.7162	2.5720	2.7320	2.3502
AUD / USD	0.9247	0.8874	0.9260	0.8677

During YTD 2014, movements in exchange rates were as follows:

	March 31, 2014	June 30, 2013	High July 1 2013 to March 31, 2014	Low July 1, 2013 to March 31, 2014
USD / CAD	1.1055	1.0526	1.1249	1.0223
USD / PGK	2.7162	2.2999	2.7320	2.0938
AUD / USD	0.9247	0.9146	0.9675	0.8677

7. Discussion of Cash Flows

	Three months ended		Nine months ended	
US$'000	**March 31, 2014**	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Cash inflows (outflows) from:				
Operating activities	(1,521)	(1,779)	(3,213)	(4,498)
Investing activities	258	(9,844)	(3,394)	(21,183)
Financing activities	-	9,900	5,976	28,439

Quarter ended March 31, 2014 compared to quarter ended March 31, 2013

Cash outflows from operating activities for Q3 2014 were $1,521,000 (Q3 2013: of$1,779,000) with the majority of expenditures being for administration. The decrease is due to the reduction in overheads resulting from the closure of the Company's Perth office.

Cash inflows from investing activities for Q3 2014 were $258,000 (Q3 2013: outflow of $9,844,000).The majority of expenditures incurred in the current and prior year quarter relate to exploration and evaluation on Yandera Project. Total spending during the Q3 2014 period totalled to $1,873,000 offset by the funds drawn from term deposits in the amount of $2,117,000. The current quarter shows significant reduction in exploration and evaluation expenditures when compared to prior year's quarter due to financial position of the Company.

Cash flows from financing activities in Q3 2014 were Nil. (Q3 2013: inflows of $9,900,000, which relate to proceeds from borrowings).

Nine months ended March 31, 2014 compared with nine months ended March 31, 2013

Cash outflows from operating activities for YTD 2014 were $3,213,000 (YTD 2013: $4,498,000) with the majority of expenditures being for administration, salaries and corporate expenses. The decrease in the current year is due to the reduction in overhead costs resulting from the closure of the Company's Perth office.

Cash outflows from investing activities for YTD 2014 were $3,394,000 (YTD 2013: $21,183,000). The investing activities primarily relate to exploration and evaluation expenditure on Yandera Project. Expenditures in the current year were significantly reduced due to financial position of the Company. The majority of the costs incurred in the prior year related to the FS undertaken on the Yandera Project.

Cash inflows from financing activities for YTD 2014 were $5,976,000 (YTD 2013: $28,439,000). Proceeds from borrowings during YTD 2014 and YTD 2013 amounted to $6,000,000 and $9,900,000, respectively. In addition, during YTD 2013 the Company received $18,539,000 net proceeds from the issuance of ordinary shares.

8. Discussion of Financial Position

US$'000	March 31, 2014	June 30, 2013
CURRENT ASSETS		
Cash and cash equivalents	887	1,667
Restricted Cash	92	-
Investments – term deposits	48	5,025
Trade and other receivables	318	957
TOTAL CURRENT ASSETS	**1,345**	**7,649**
NON CURRENT ASSETS		
Plant and equipment	608	1,154
Exploration and evaluation	139,137	173,667
TOTAL NON CURRENT ASSETS	**139,745**	**174,821**
TOTAL ASSETS	**141,090**	**182,470**
CURRENT LIABILITIES		
Trade and other payables	1,201	3,094
Provisions	1,161	1,040
Loans and borrowings	-	10,668
Derivative Liability	18,513	611
TOTAL CURRENT LIABILITIES	**20,875**	**15,413**
NON CURRENT LIABILITIES		
Loans and borrowings	15,256	6,833
TOTAL NON CURRENT LIABILITIES	**15,256**	**6,833**
TOTAL LIABILITIES	**36,131**	**22,246**
EQUITY	**104,959**	**160,224**

Cash and Cash Equivalents

Cash and cash equivalents decreased to $935,000 at the end of Q3 2014 from $1,667,000 balance at the end of FY 2013 primarily due to the utilisation of the cash.

Restricted Cash

Term Deposits held in relation to the bank guarantees with a third party supplier have been separated from term deposits, the term deposits total AUD$100,000.

Investments - Term Deposits

Cash held in term deposits has decreased to $48,000 at the end of Q3 2014 from $5,025,000 balance at the end of FY 2013. The funds were used to further exploration and evaluation expenditures on Yandera Project and to fund the corporate and administrative costs.

Trade and Other Receivables

Trade and other receivables decreased to $318,000 as at the end of Q3 2014 from $957,000 balance at the end of FY 2013. The decrease is mainly due to a reduction in recoverable GST paid in Australia and reduced prepayments required.

Plant and Equipment

Plant and equipment decreased to $608,000 as at the end of Q3 2014 from $1,154,000 balance as at the end of FY 2013. The reduction is primarily due to the sale of office equipment relating to the Company's Perth office as a result of its closure.

Exploration and Evaluation

Exploration and evaluation costs decreased to $139,137,000 as at the end of Q3 2014 from $173,667,000 balance as at the end of FY 2013. The decrease is primarily attributed to the fluctuation in the exchange rates of the PGK to USD over the nine month period.

Trade and Other Payables

Trade and other payables decreased to $1,201,000 as at the end of Q3 2014 as compared to $3,094,000 as at the end of FY 2013 largely due to timing of payments in respect of the Yandera Project and the reduction in overheads due to the closure of the Company's Perth office.

Provisions

Provisions of $1,161,000 as at the end of Q3 2014 slightly increased from $1,040,000 balance as at the end of 2013 balance. The increase is driven by the timing of payments in respect of payroll related costs.

Loans and Borrowings

Loans and borrowings were $15,256,000 as at Q3 2014 as compared to $17,501,000 as at the end of FY 2013. Pursuant to an agreement dated November 29, 2013 with Sentient, whereby the Sentient loan and the outstanding debentures would be converted into the new unsecured convertible debentures (collectively the "Debentures"),on January 15, 2014, the Company issued the Debentures in settlement of the principal and accrued interest on the Sentient loan and previously issued debentures. The total face value of the new Debentures was $27,509,621 as at the conversion date, January 15, 2014.

The new Debentures mature on June 30, 2016. The new Debentures bear interest at 9% per annum compounding daily, payable in debentures semi-annually in arrears on April 30 and October 30 of each year or on the maturity date, commencing April 30, 2014. On the maturity date of June 30, 2016, Sentient will have a right to convert any or all of the principal amount and/or accrued interest into fully paid and non-assessable common shares of the Company. The convertible portion of the new Debentures was accounted for as a derivative financial instrument totalling to $18,513,000 at the end of Q3 2014 period.

Derivative Liability

Derivative Liability increased to $18,513,000 as at Q3 2014 as compared to $611,000 balance at the end of FY 2013. The increased balance at the end of Q3 2014 period is entirely attributed to the issuance of new Debentures on January 15, 2014 and the result of the revaluation to fair value of the derivative liability as at March 31, 2014.

Equity

Equity decreased to $104,959,000 as at the end of Q3 2014 from $160,224,000 balance as at the end of 2013 fiscal year. The decrease is due to a loss of $13,576,000 for YTD 2014, and decrease in reserves of $41,087,000 due to foreign exchange rates movement.

9. Liquidity and Capital Resources

The Company's principal requirements for cash over the next twelve months will be to fund the ongoing exploration costs on the Yandera Project and the corporate and administrative costs.

The Company had cash reserves including term deposits of $935,000at the end of Q3 2014.

The Company's contractual obligations as at the end of Q3 2014 are set out below:

	Payments due by Period				
Contractual Obligations – US$'000	**Total**	**Less than 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Long term debt (Debentures)	34,319	2,024	32,295	-	-
Operating leases	40	40	-	-	-
Total contractual obligations	**34,359**	**2,064**	**32,295**	**-**	**-**

10. Financial Instruments and Other Instruments

The Company is exposed to foreign exchange risk in the normal course of its business operations.

The Company has not entered into any forward sales or hedging agreements for copper, molybdenum or gold or any other metals.

Currency hedges involve risks such as default by the other party, illiquidity and the extent to which the Company's assessment of certain market movements is incorrect and the risk that the use of hedges could result in losses greater than if hedging had not been used. The Company currently has no currency hedges in place.

The risks associated with fluctuations in the foreign exchange rates are managed by the Company's management, as determined from time to time, using detailed budgets and forecasts, but the Company cannot guarantee the effectiveness of its present or future hedging practices.

11. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at the end of Q3 2014 (end of FY 2013: None).

12. Transactions with Related Parties

On June 11, 2008, the Company entered into a loan agreement with the President & Chief Executive Officer, Mr Les Emery, to lend AUD$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. 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. As of the date of this report, it is anticipated that the shares will be sold in due course with the proceeds of the sale being paid to the benefit of Marengo.

As described in section 8 above under the discussion on "Loans and Borrowings", the Company had entered into a convertible debenture transaction with Sentient pursuant to an agreement dated November 29, 2013.

13. Changes in Accounting Policies including Initial Adoption

Recently issued accounting pronouncements and their impact on the Company's accounting policies are disclosed in Note 1 to the March 31, 2014 Interim Consolidated Financial Statements dated May12, 2014 and the Note 1 to the 2013 Consolidated Financial Statements dated September 30, 2013 both of which are available on the Canadian SEDAR website at www.sedar.comand should be reviewed in conjunction with this document.

14. Risk Factors

The Company's risk factors are discussed in detail in the Company's AIF dated September 30, 2013 which is available on SEDAR and should be reviewed in conjunction with this document.

15. Outstanding Share Data

The ordinary common shares is the only class the Company had outstanding as at March 31, 2014 and 2013. As at March 31, 2014 and 2013, the Company had 1,137,870,521 common shares outstanding respectively and 48,175,000 options/ performance rights outstanding, (March 31, 2013: 112,260,780).

16. Critical Accounting Estimates

The accounting policies that involve significant management judgement and estimates are discussed in this section. For a complete list of the significant accounting policies, reference should be made to Note 1(v) of the 2013 Consolidated Financial Statements.

Share based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. At each reporting period the probability that the vesting conditions will be met prior to the expiry date is assessed, this probability is taken into account when determining fair value.

Exploration and evaluation costs

Exploration and evaluation costs are accumulated and capitalised in relation to each identifiable area of interest where right of tenure of the area of interest is current and the area of interest has not, at reporting date, reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves. In the event that tenure is relinquished and/or economically recoverable resources are not assessed as being present, this expenditure will be expensed to profit and loss.

Derivative Financial Instruments
The fair value of the embedded derivative liability is determined based on Black Scholes option pricing model to value this liability at each reporting period.

17. Corporate Responsibility for Financial Reports

The Company's Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal control over financial reporting. Access to material information with respect to the Company is facilitated by the small size of the Company's senior management team. The CEO and CFO, after evaluating the effectiveness of the Company's disclosure controls and procedures as of the end of Q3 2014, have concluded that the Company's disclosure controls and procedures were adequate and effective to ensure that: (i) material information relating to the Company is made known to them by others particularly during the period covered by this MD&A; (ii) the information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarised and reported, within the time periods specified in securities legislation; and (iii) provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in our internal control over financial reporting for the nine months ended March 31, 2014 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

18. Cautionary Note Regarding Forward-Looking Information

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information which reflect management's expectations regarding Marengo's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A, the Company has made numerous assumptions. The assumptions include, among other things, assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) the accuracy of the Company's mineral resource estimate; (iv) the future price of copper, molybdenum and gold; and (v) that the supply and demand for copper, gold, molybdenum, and other metals develop as expected. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, among other things, the following: (i) need for additional financing to develop the Yandera Project; (ii) decreases in the price of copper and molybdenum; (iii) exploration risk; (iv) the risk that the Company will not obtain a renewal of Exploration Licence 1335; (v) dependence on the Yandera Project; (vi) PNG State equity interest; and (vii) the ability of the Company to satisfy its debt obligations.

The Company's AIF dated September 30, 2013 contain additional information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be as anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of, this MD&A except as may be required by law. All forward-looking information disclosed in this MD&A is qualified by this cautionary statement.

Additional information about the Company and its business activities is available under the Company's profile on the Canadian SEDAR website.

19. Scientific and Technical Information

The scientific and technical information contained in this MD&A was prepared by or under the supervision of Mr John Mears. Mr Mears is a licensed geologist in the USA and also a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Marengo. Mr Mears is a "Qualified Person" as defined by NI 43-101. Mr Mears verified the data underlying the information in this MD&A.