



MARENGO

Mining Limited

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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**For Immediate Distribution
July 15, 2014**

**TSX: MRN
ASX & POMSoX: MMC**

MARENGO ANNOUNCES CLOSING OF FINANCING TRANSACTION WITH ITS MAJOR SHAREHOLDER

Toronto, Ontario – July 15, 2014 - Marengo Mining Limited ("Marengo" or the "Company") (TSX: MRN; ASX and POMSoX: MMC) is pleased to announce that it has completed the previously announced issuance of US\$10,195,065 principal amount of convertible unsecured debentures (the "Debentures") to its major shareholder, Sentient Executive GP IV, Limited for the General Partner of Sentient Global Resources Fund IV, L.P. (collectively, "Sentient") pursuant to a loan conversion and debenture purchase agreement dated June 2, 2014, between the Company (together with its wholly-owned subsidiaries Yandera Mining Company Limited and Marengo Mining (PNG) Limited), and Sentient (the "Agreement").

As previously announced, pursuant to the terms of the Agreement, the Company has: (i) converted the unsecured interest-bearing debt facility with Sentient, in the aggregate principal amount of US\$3,000,000, dated April 29, 2014 and due on December 31, 2014, along with interest of US\$55,065 thereon into 9.0% senior unsecured convertible debentures of the Company in the principal amount of US\$3,055,065 (the "Loan Debentures"); and (ii) issued and sold to Sentient 9.0% senior unsecured convertible debentures of the Company in the principal amount of US\$7,000,000 (the "Investment Debentures").

In connection with the transaction, the Company also paid to Sentient an establishment fee of 2% of the amount of Investment Debentures, which fee was satisfied by the Company through the issuance of US\$140,000 principal amount of 9% senior unsecured convertible debentures (the "Establishment Fee Debentures", and together with the Loan Debentures and the Investment Debentures, the "Debentures").

The Debentures will mature on June 30, 2016 (the "Maturity Date") and will bear interest from and including the date of issuance at the rate of 9% per annum, payable in equal semi-annual instalments on April 30 and October 30 in each year, commencing October 30, 2014 until the Maturity Date. Interest payable on the Debentures will be paid by the Company through the issuance of additional debentures (the "Interest Debentures") which will be issued in substantially the same terms as the Debentures.

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The Debentures and Interest Debentures are convertible, at the option of Sentient, into common shares or Chess Depositary Interests ("CDIs") of the Company at a conversion price of CDN\$0.015 per common share or CDI. The conversion price of the Debentures and Interest Debentures will be adjusted in the event there is a reorganisation of capital or an issue of new common shares below the conversion price. The Debentures and Interest Debentures will be jointly issued by the Company and the PNG Subsidiaries and will be guaranteed by Marengo Mining (Australia) Limited and Yandera Mining Company (Holdings) Pty Limited (both wholly-owned subsidiaries of the Company).

Sentient and its related entities currently hold approximately 22% of the issued and outstanding common shares of the Company and would hold approximately 80% of the common shares of the Company, assuming the conversion of all the Debentures issued in connection with the Transaction (including the Interest Debentures issued to pay interest payments on the Debentures), as well as the conversion by Sentient of all debentures issued and issuable under the prior debentures financing between the Company and Sentient completed earlier this year (the "January Debentures"). In connection with the issuance of the Debentures, it is expected that, pursuant to the terms of the January Debentures, the conversion price of such debentures will be adjusted from CDN\$0.02 to CDN\$0.015 per common share or CDI, the same conversion price as the Debentures.

The transaction received disinterested shareholder approval at the Special Meeting of the shareholders of the Company held on July 11, 2014, and is subject to final approval of the Toronto Stock Exchange.

The Company expects to use the funds obtained from the transaction for the development of the Yandera Project, including ongoing exploration and feasibility study work, to fund its working capital requirements and for general corporate purposes.

For further information:

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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, a change in the expected use of proceeds of the Transaction. 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.