MARENGO
Mining Limited

Condensed Interim Consolidated Financial Statements

Three months ended September 30, 2015 and 2014

(Based on International Financial Reporting Standards (“IFRS”) and stated in thousands of United States dollars, unless otherwise indicated)

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Management's Responsibility for Financial Reporting

The condensed interim consolidated financial statements, the notes thereto, of Marengo Mining Limited (the "Company") and its subsidiaries have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board with International Accounting Standard, Interim Financial Reporting ("IAS 34"). Management acknowledges responsibility for the preparation and presentation of the condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management, in discharging these responsibilities, maintains a system of internal controls designed to provide reasonable assurance that its assets are safeguarded, only valid and authorized transactions are executed and accurate, timely and comprehensive financial information is prepared. However, any system of internal controls over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors, principally through the Audit and Risk Committee, is responsible for reviewing and approving the condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfils its financial reporting responsibilities.

"signed"
Pieter Britz
President and Chief Executive Officer

"signed"
Alexander Dann
Chief Financial Officer

November 12, 2015

MARENGO Mining Limited

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Stated in thousands of U.S. dollars)

	Notes	September 30, 2015	June 30, 2015
CURRENT ASSETS			
Cash and cash equivalents		2,912	4,831
Short term investments		45	48
Deferred charges		11	-
Receivables and other current assets		193	252
TOTAL CURRENT ASSETS		**3,161**	**5,131**
NON-CURRENT ASSETS			
Property, plant and equipment		392	429
Exploration and evaluation assets	4	140,403	144,340
TOTAL NON-CURRENT ASSETS		**140,795**	**144,769**
TOTAL ASSETS		**143,956**	**149,900**
CURRENT LIABILITIES			
Trade and other payables		2,138	1,749
Provisions		160	186
Loans and borrowings	5	37,177	34,038
Derivative financial instrument	6	7,455	9,650
TOTAL CURRENT LIABILITIES		**46,930**	**45,623**
NON-CURRENT LIABILITIES			
Loans and borrowings	5	6,438	5,997
TOTAL NON-CURRENT LIABILITIES		**6,438**	**5,997**
TOTAL LIABILITIES		**53,368**	**51,620**
SHAREHOLDERS' EQUITY			
Share capital	7	190,962	189,927
Contributed surplus	7	2,426	2,400
Accumulated comprehensive losses		(102,800)	(94,047)
TOTAL SHAREHOLDERS' EQUITY		**90,588**	**98,280**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**143,956**	**149,900**

Nature of Operations and Going Concern (Note 1) and Subsequent Events (Note 13)

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Approved by the Board of Directors on November 12, 2015

"signed"

John Hick
Chairman

"signed"

David Danziger
Audit Committee Chair

MARENGO Mining Limited

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Stated in thousands of U.S. dollars, except shares and share data)

	Notes	Three months ended September 30, 2015	2014
EXPENSES			
General and administration expenses		(1,049)	(1,454)
Depreciation		(30)	(46)
Exploration and evaluation assets written-off	4	-	(5)
Net foreign exchange loss		(59)	(6)
Share-based payment (expense) recovery	7	(26)	23
		(1,164)	**(1,488)**
OTHER ITEMS			
Interest income		2	-
Other income (loss)	6	2,195	(2,499)
Financing costs	5	(3,750)	(3,331)
		(1,553)	**(5,830)**
NET LOSS FOR THE PERIOD		**(2,717)**	**(7,318)**
OTHER COMPREHENSIVE LOSS			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		(5,001)	(5,111)
Other comprehensive loss for the period, net of tax		**(5,001)**	**(5,111)**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(7,718)**	**(12,429)**
Basic and diluted loss per share		(0.00)	(0.01)
Weighted average shares outstanding		1,137,870,521	1,137,870,521

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - Stated in thousands of U.S. dollars except share data)

	Notes	Share Capital	Options and Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total Shareholders' Equity
BALANCE AT JULY 1, 2014		**187,242**	**2,395**	**(19,153)**	**(46,095)**	**124,389**
Net loss for the period		-	-	-	(7,318)	(7,318)
Other comprehensive income that may be reclassified to the profit or loss		-	-	(3,932)	-	(3,932)
TOTAL COMPREHENSIVE LOSS		**-**	**-**	**(3,932)**	**(7,318)**	**(11,250)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Exchange differences on translation of equity items to presentation currency		1,057	-	**(1,179)**	**-**	(122)
Employees and consultants share options	7	**-**	(23)	**-**	**-**	(23)
BALANCE AT SEPTEMBER 30, 2014		**188,299**	**2,372**	**(24,264)**	**(53,413)**	**112,994**
BALANCE AT JULY 1, 2015		**189,927**	**2,400**	**(41,913)**	**(52,134)**	**98,280**
Net loss for the period		**-**	**-**	**-**	(2,717)	(2,717)
Other comprehensive income that may be reclassified to the profit or loss		-	-	(5,001)	-	(5,001)
TOTAL COMPREHENSIVE LOSS		**-**	**-**	**(5,001)**	**(2,717)**	**(7,718)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Exchange differences on translation of equity items to presentation currency		1,035	-	(1,035)	-	-
Employees and consultants share options	7	-	26	-	-	26
BALANCE AT SEPTEMBER 30, 2015		**190,962**	**2,426**	**(47,949)**	**(54,851)**	**90,588**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

MARENGO
Mining Limited

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - Stated in thousands of U.S. dollars)

	Notes	Three months ended September 30, 2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		(2,717)	(7,318)
Items not affecting cash:			
Depreciation		30	46
Share based compensation expense (recovery)	7	26	(23)
Write-down of exploration and evaluation assets	4	-	5
Fair value of derivative liability (gain) loss	6	(2,195)	2,499
Interest accrued on debentures	5	3,750	3,331
Unrealized foreign exchange gain		(35)	-
Changes in working capital	10	182	130
Net cash used in operating activities		**(959)**	**(1,330)**
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) in term deposits		-	(1,957)
Interest received		2	-
Additions to property, plant and equipment		(8)	(12)
Additions to exploration and evaluation assets (includes changes in working capital)	4	(900)	(1,718)
Net cash used in investing activities		**(906)**	**(3,687)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	7,000
Direct financing costs		-	(194)
Net cash provided by financing activities		**-**	**6,806**
(Decrease) / increase in cash and cash equivalents for the period		(1,865)	1,789
Cash and cash equivalents, beginning of the period		4,831	421
Effect of foreign exchange rate changes on cash and cash equivalents		(54)	(71)
Cash and cash equivalents, end of the period		**2,912**	**2,139**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Notes to the Condensed Interim Consolidated Financial Statements for the Three Months Ended September 30, 2015

(Unaudited - All currency amounts are in thousands of U.S. dollars, unless stated otherwise)

(1) NATURE OF OPERATIONS AND GOING CONCERN

Marengo Mining Limited (the "Company" or "Marengo") is an international mineral exploration and development company, limited by shares, and domiciled and incorporated in Canada. The Company operates under the Ontario Business Corporation Act and its registered office is in Toronto, Canada, at 100 King Street West, Suite 3400, Toronto, Ontario, M5X 1B8. Marengo is listed on the Toronto Stock Exchange (the "**TSX**") (Symbol: MRN). The Company officially delisted from the Australian Securities Exchange (the "**ASX**") on June 2, 2015.

The primary activity of the Company is the exploration and development of its principal asset, the Yandera copper-molybdenum-gold property (the "**Yandera Project**") in Papua New Guinea. The Company is currently focused on advancing the development of the Yandera Project.

The Company is an exploration and development stage entity and has not yet achieved profitable operations. It is subject to risks and challenges similar to companies in a comparable stage of development. These risks include, but are not limited to the challenges of securing adequate capital to fund its activities, operations risks inherent in the mining industry, and global economic and commodity price volatility. The underlying value of the Yandera Project and the recoverability of the related capitalized costs are entirely dependent on the Company's ability to successfully develop the Project by, among other things, securing necessary permits, obtaining the required financing to complete the development and construction, and upon future profitable production from, or the proceeds from the disposition of, its mineral property.

The Company incurred a comprehensive loss for the three months ended September 30, 2015 of $7,718 (September 30, 2014 - $12,429) and reported accumulated comprehensive losses of $102,800 as at September 30, 2015 (June 30, 2015 - $94,047). The Company had a working capital deficiency of $43,769 (June 30, 2015 - $40,492). The Company's sole source of funding has been the issuance of convertible debt and other loan instruments, and equity securities.

As at September 30, 2015, the Company had $2,912 in available cash and cash equivalents and short term deposits (June 30, 2015 - $4,831). There are no sources of operating cash inflows. Given the Company's current financial position and the anticipated ongoing exploration and evaluation expenditures for the Yandera Project, Marengo's major shareholder, Sentient Executive GP IV (Sentient) has agreed to provide financial assistance to the Company. Note 5 sets out the details of the restructuring of the Company's financial commitments with Sentient and further transactions subsequent to the quarter-end as described in Note 13.

The Company will need to raise additional capital through equity issuance or other available financing alternatives in parallel with financial support provided by Sentient in order to continue funding its operating, exploration and evaluation activities, and eventual development of the Yandera Project. Although the Company has been successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future.

These circumstances, along with other risks relevant to exploration companies, such as continuing losses, result in material uncertainty which lends significant doubt as to the ability of the Company to fulfil its exploration and development activities and, accordingly, the appropriateness ultimately of the use of the accounting principles applicable to a going concern.

Management expects that additional funding will be provided from Sentient or other sources, and therefore these condensed interim consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from September 30, 2015. Different basis of measurement may be appropriate when a Company is not expected to continue operations for the foreseeable future.

These condensed interim consolidated financial statements do not give effect to adjustments to the carrying values of assets, liabilities and the reported expenses and classifications that would be necessary, should the Company be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on November 12, 2015.

(2) BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These condensed interim consolidated financial statements were prepared in accordance with IFRS, including IAS 34 Interim Financial Statements. The condensed interim consolidated financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2015. Any subsequent changes to IFRS that are reflected in the Company's consolidated financial statements for the year end in June 30, 2015 could result in restatement of these condensed interim consolidated financial statements.

(b) Basis of Preparation

These condensed interim consolidated financial statements have been prepared under the historical cost convention, modified by the revaluation of any financial assets and financial liabilities (including derivative instruments), measured at fair value through profit or loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

The significant accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended June 30, 2015.

(c) Basis of consolidation

The condensed interim consolidated financial statements incorporate the financial statement of the Company, Marengo Mining Limited, and its wholly-owned subsidiaries. Consolidation is required when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(3) CHANGES IN ACCOUNTING POLICIES

There were no new accounting policies adopted by the Company during the period ended September 30, 2015.

(4) EXPLORATION AND EVALUATION ASSETS

	September 30, 2015	June 30, 2015
Opening net cost amount	144,340	160,855
Foreign exchange	(5,078)	(20,182)
Expenditures capitalised during the period	1,141	4,172
Expenditures written-off during the period	-	(505)
Closing Balance	**140,403**	**144,340**

During the period ended September 30, 2015, the Company acquired an option for the mineral concessions and purchased the related surface property rights for the La Cobota copper project in northern Mexico for a total acquisition cost of $253 comprised of $243 purchase price and $10 of direct purchase expenses.

Under the terms of the option agreement for the mineral concessions, Marengo has:

- The exclusive right to conduct exploration to a cost of $500 prior to July 1, 2016; and
- The exclusive and irrevocable right to acquire 100% of the mineral concessions for a fixed amount of $275, subject to a 2.5% Net Smelter Return royalty interest to be granted to the vendor of the mineral concessions.

MARENGO Mining Limited

(5) LOANS AND BORROWINGS

The following table displays the activities of the Company's current and long term debt instruments for the period ended September 30, 2015 and year ended June 30, 2015:

2016

	At June 30, 2015	**Accretion**	**At September 30, 2015**
9% January 2014 convertible debentures	25,105	2,322	27,427
9% July 2014 convertible debentures	8,933	817	9,750
9% December 2014 convertible debentures	5,997	441	6,438
	40,035	3,580	43,615
Less: current portion	34,038	-	37,177
Total long term debt	**5,997**	**3,580**	**6,438**

2015

	At June 30, 2014	**Initial Recognition**	**Extinguishment/ Revaluations**	**Accretion**	**At June 30, 2015**
Sentient loan	3,046	-	(3,046)	-	-
9% January 2014 convertible debentures	17,122	36,273	(36,608)	8,218	25,105
9% July 2014 convertible debentures	-	12,792	(6,777)	2,918	8,933
9% December 2014 convertible debentures	-	5,039	-	958	5,997
	20,268	54,104	(46,431)	12,094	40,035
Less: current portion	3,046	-	-	-	34,038
Total long term debt	**17,222**	**54,104**	**(46,431)**	**12,094**	**5,997**

Convertible Debentures

During the fiscal years of 2014 and 2015, the Company completed the aggregate issuance of $45,925 principal amount of convertible unsecured debentures (the "Debentures") to Sentient. The Debentures mature on June 30, 2016 and June 30, 2017 and bear interest at a rate of 9% per annum.

The total cumulative financing costs on the convertible Debentures recognized and expensed in the consolidated statements of loss and comprehensive loss were $3,750 (comprised of $3,580 accretion and $170 of other finance related costs) for the period ended September 30, 2015 (September 30, 2014 - $3,331).

The underlying details of the borrowings are disclosed in the Note 11 of the Company's audited annual financial statements for the year ended June 30, 2015.

(6) DERIVATIVE LIABILITY

The embedded derivative conversion option feature contained in the debentures is valued using a Black-Scholes model. The risk free interest rate used in the fair value computation is the interest rate on Canadian marketable security bond with maturity similar to the remaining life of the 9% Convertible Debentures. Volatility is calculated based on the daily volatility of our share price observable on the Toronto Stock Exchange market for a historical period equal to the remaining life of the Convertible Debentures.

As of September 30, 2015, the fair value of the derivative liability was $7,455 (June 30, 2015 - $9,650). For the period ended September 30, 2015, the Company recorded a gain of $2,195 resulting from the fair value measurement (September 30, 2014 $2,499 loss). The movement in fair value results from fluctuations and inputs used to determine the fair value at each reporting period, the most significant of which are the Company's share price, volatility and life of the options.

A summary of the derivative liability activities relating to additions, reductions and changes resulting from the fair value measurement for the periods ended September 30, 2015, June 30, 2015 and September 30, 2014 respectively are as follows:

	At September 30, 2015	At June 30, 2015	At September 30, 2014
Opening Balance	9,650	14,581	14,581
Additions to derivative liability during the period	-	27,991	17,220
Reductions of derivative liability during the period	-	(13,550)	(8,885)
Fair value (gain) loss for the period	(2,195)	(19,372)	1,352
Closing Balance	**7,455**	**9,650**	**24,268**

The fair value (gain) loss in the prior periods of $19,372 and $1,352 is partially offset by the fair value loss resulting from extinguishment of the debt on July 15 and December 18, 2014 respectively by $7,944 for the year ended June 30, 2015 and $1,147 for the period ended September 30, 2014, resulting in a net fair value loss $11,428 for the year ended June 30, 2015 and a net fair value loss of $2,499 for the period ended September 30, 2014.

Inputs used to determine the fair value on September 30, 2015, June 30, 2015, September 30, 2014 and July 15, 2014 were as follows:

	September 30, 2015	June 30, 2015	September 30, 2014	July 15, 2014
9% Convertible Debentures				
Risk free interest rate	0.52%	0.49%	1.12%	1.09%
Volatility	164%	166%	144%	156%
Remaining life (years)	0.75 and 1.75	1 and 2	1.75	1.5

(7) SHARE CAPITAL AND OPTIONS

The Company is authorized to issue an unlimited number of common shares with one vote per share and no par value per share.

There were no common shares issued during the period ended September 30, 2015 and September 30, 2014.

Share capital outstanding at September 30, 2015 and September 30, 2014 was 1,137,870,521 common shares.

The Company maintains a stock option plan under which the Board of Directors, or a committee appointed for such purpose, may from time to time grant to employees, officers, directors, or consultants of the Company, options to acquire common shares under the terms as determined by the Board of Directors or such committee.

As of September 30, 2015, the Company had 45,418,526 remaining reserved options under the plan with 56,893,526 maximum allowed.

Options granted carry no dividend or voting rights. Options granted to directors and senior management vest as follows: 1/3 on grant, 1/3 on first anniversary of grant and 1/3 on second anniversary of grant. All other options granted to employees and consultants vest immediately.

A summary of option activity under the Plan during the three months ended September 30 are as follows:

	Number of Stock Options	Weighted Average Exercise Price- C$
Balance, June 30, 2015	11,500,000	0.02
Forfeited	(25,000)	0.01
Balance, September 30, 2015	**11,475,000**	**0.02**
Exercisable, September 30, 2015	**7,808,333**	**0.05**

The fair value of option grants is estimated at the grant date using the Black-Scholes option-pricing model. There were no options granted during the period ended September 30, 2015. Options granted to directors and senior management during the period ended September 30, 2014 totalled 11,000,000 with an average exercise price of C$0.015 per share and expiry date of five years from the date of grant.

Fair values of options granted during the period ended September 30, 2014 were based on assumptions noted in the following table:

Grant	**2015**
Exercise price	C$0.015
Risk-free interest rate	1.48%
Annualized expected volatility	157%
Expected life of options	5
Dividend rate	0%
Forfeiture rate	0%
Fair value per option	C$0.014

Performance Rights

The Company maintains a performance rights plan under which the Board of Directors, or a committee appointed for such purpose, may grant rights to employees, officers, directors, or consultants of the Company to acquire common shares under the terms as determined by the Board of Directors or such committee. All performance rights were forfeited in the prior year mainly due to closure of the Company's Perth office and the resulting staff terminations. There were no new performance rights issued during the period ended September 30, 2015.

The following table summarizes incentive stock options outstanding at September 30, 2015:

	Outstanding			**Exercisable**	
Exercise price	**Number of options**	**Weighted average exercise price**	**Weighted average remaining contractual life in years**	**Number of options**	**Weighted average exercise price**
A$0.22	50,000		0.1	50,000	
A$0.32	75,000		0.4	75,000	
A$0.19	50,000		1.1	50,000	
A$0.24	75,000		1.4	75,000	
C$0.13	225,000		2.4	225,000	
C$0.015	11,000,000		3.8	7,333,333	
Total Options	**11,475,000**	**C$0.02**		**7,808,333**	**C$0.05**

Share-Based Compensation

The share-based compensation resulted in expense amount of $26 for the period ended September 30, 2015, (September 30, 2014 - $23 recovery). Share-based compensation recovery in the prior year resulted from unvested forfeited options and performance rights previously issued and forfeited during the period.

(8) COMMITMENTS AND CONTINGENCIES

The Company has certain commitments to meet the minimum expenditure requirements on its mineral exploration assets it has interest in.

The Company had no contingent liabilities as at September 30, 2015.

Future minimum payments under the agreements as at September 30, 2015 are as follows:

	Less than 1 year	1 - 5 years	Total
Lease commitments	16	-	16
Exploration commitments	73	129	202
Total	**89**	**129**	**218**

(9) RELATED PARTY TRANSACTIONS

Key Management Personnel

Key management personnel are defined as members of the Board of Directors and senior officers.

Key management compensation was:

	Three months ended September 30,	
	2015	**2014**
Salaries, wages and other benefits	266	425
Severances[1]	-	654
Share-based compensation	26	55
Total	**292**	**1,134**

[1] The severances result from changes in executive management.

Other Related Party Transactions

(a) Transactions with Sentient

During the period ended September 30, 2015, Sentient incurred legal and other administrative expenses related to the purchase of La Cobota property on behalf of the Company. As a result, at September 30, 2015, the Company owed $192 to Sentient.

Subsequent to the period, the Company entered into a financing agreement with Sentient in connection with the proposed issuance of $14,000 principal amount of convertible unsecured debentures. Details of this proposed financing are described in the subsequent events Note 13 below.

(10) SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital for the three months ended September 30, 2015 and 2014 are as follows:

	2015	2014
Decrease in accounts receivable and other current assets	59	87
Increase in accounts payable and accrued liabilities	149	252
Decrease in provisions	(26)	(209)
Total changes in working capital	**182**	**130**

(11) FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure the fair value.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable either directly or indirectly

Level 3 – Inputs that are not based on observable market data

Valuation technique that is used to measure the fair value is described in note 2 (j) of the annual audited consolidated financial statements for the year ended June 30, 2015.

The following table illustrates the Company's financial instruments measured at fair value on a recurring basis and their classification within the fair value hierarchy as at September 30, 2015 and June 30, 2015:

As at September 30, 2015	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Financial liabilities			
Fair value through profit or loss:			
Derivative financial instrument	-	7,455	-
	-	7,455	-

As at June 30, 2015	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Financial liabilities			
Fair value through profit or loss:			
Derivative financial instrument	-	9,650	-
	-	9,650	-

Fair Values of Financial Assets and Liabilities not Measured at Fair Value

	As at September 30, 2015		**As at June 30, 2015**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets				
Cash and cash equivalents	2,912	2,912	4,831	4,831
Short term investments	45	45	48	48
Receivables and other current assets	193	193	252	252
	3,150	3,150	5,131	5,131
Financial liabilities				
Trade and other payables	2,138	2,138	1,749	1,749
Loans and borrowings	43,615	43,615	40,035	40,035
	45,753	45,753	41,784	41,784

The carrying values of the above financial instruments approximate their fair values. The fair value estimates are within level 2 of the fair value hierarchy.

(12) OPERATIONS BY SEGMENT AND GEOGRAPHIC AREA

The Company operates in one reportable segment, being the exploration, evaluation and development of mineral properties. The Company's development property is located in one geographic area, being Papua New Guinea.

At the end of period ended September 30, 2015, the Company acquired an option for the mineral concessions and purchased the related surface property rights for the La Cobota copper project in northern Mexico for a total purchase price of $253. Other than the acquisition price, no exploration or development activities occurred on La Cobota property during the period ended September 30, 2015.

(13) SUBSEQUENT EVENTS

On October 13, 2015, the Company announced that it has entered into a financing agreement with its major shareholder, Sentient in connection with the proposed issuance of $14,000 principal amount of convertible unsecured debentures. The proposed debentures are to be issued in two tranches, with the first tranche of $7,000 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 $7,000 to be completed five months after the shareholders' approval is obtained.

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 and will not bear interest. Each US$1,000 principal amount of debentures will be convertible into common shares of the Company at a conversion price of C$0.45 per common share 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.

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, 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.

On October 27, 2015 the Company officially delisted from the Port Moresby Securities Exchange Limited (“POMSoX”).