

# Marengo Executes Debenture Purchase Agreement to Its Major Shareholder and Finalizes Initial Placement

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PERTH, WESTERN AUSTRALIA -- (Marketwired - May 28, 2013) - [Marengo Mining Limited](#) ("Marengo" or the "Company") (TSX:MRN)(ASX:MMC)(POMSoX:MMC) is pleased to announce that, further to binding terms having been reached (see the Company's press release dated April 30, 2013), the Company (together with its wholly owned subsidiaries Yandera Mining Company Limited and Marengo Mining (PNG Limited) has signed and executed a Debenture Purchase Agreement with its major shareholder, Sentient Executive GP IV, Limited for the General Partner of Sentient Global Resources Fund IV, L.P. ("Sentient"), providing for the issuance of up to US\$15 million principal amount of convertible unsecured debentures ("Debentures") to Sentient. The Debentures will be guaranteed by Marengo Mining (Australia) Limited and Yandera Mining Company (Holdings) Pty Ltd (both wholly owned subsidiaries).

Having met certain conditions precedent, including confirmation of the extension of terms for PNG Exploration Licence EL1335, Sentient and Marengo will complete, on or about May 30, 2013, the initial placement of US\$9.0 million principal amount of Debentures.

Each US\$1,000 face value Debenture will be convertible, at the option of Sentient, into common shares or Chess Depository Interests ("CDIs") of the Company at a conversion price of CDN\$0.11 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, or three years following the closing date of the final tranche, whichever is earlier. The Debentures will bear interest at a rate of 9% per annum.

The Company will pay to Sentient an establishment fee of 2.0% of the amount raised by the Company through the issue of Debentures. The interest payable and the establishment fee will be satisfied through the issuance of additional Debentures.

Subject to the formation of, and consultation with, a technical committee to be comprised of representatives from the Company and Sentient, Marengo expects to use the net proceeds from the placement for the development of the Yandera Project and for general corporate purposes.

The remaining US\$6.0 million in Debentures will, subject to receipt of necessary approvals, be issued following the holding of a meeting of the shareholders of Marengo required to approve the issuance of the additional Debentures. This tranche will also be conditional on Sentient being satisfied with the Company's work program and related budgets.

Sentient currently holds 22.0% of the common shares of the Company and would hold approximately 33.8% of the common shares of the Company, assuming the conversion of all the Debentures issued in connection with the private placement (including the Debentures issued to pay interest payments on the Debentures and the establishment fee).

In addition, subject to the same conditions, the Company and Sentient have agreed to vary the existing unsecured facility of US\$10 million provided by Sentient in February 2013 such that all interest accrued and payable under the facility shall be satisfied through the issue of 1,000 Debentures ("Interest Payment Debentures"); Sentient may therefore hold up to 16,300 Debentures without taking into account interest on the Debentures.

The Company is currently preparing a notice of meeting to seek shareholder approval for the issue of the final tranche of Debentures and Interest Payment Debentures and expects to send this to shareholders as soon as practicable.

[www.marengomining.com](http://www.marengomining.com)

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any sale of the securities described herein in any state in which such offer, solicitation or sale would be unlawful. The securities described herein have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, the securities described herein may not be offered or sold in the United States or to U.S. persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from the registration requirements is available.

### **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. 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.*

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YANDERA MINING COMPANY LIMITED (COMPANY NO. 1-53202)  
MARENGO MINING (PNG) LIMITED (COMPANY NO. 1-76844)

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