

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ARGENTINA MINING LIMITED

ABN

41 141 940 230

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|-----------------------------------------------------------------|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for (a) exploration and evaluation | - | (40) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (132) | (469) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 32 | 32 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other | - | - |
| Net Operating Cash Flows | (100) | (477) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | (2) | (2) |
| 1.9 Proceeds from sale of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other: Exploration & Evaluation Expenditure | (253) | (420) |
| Net investing cash flows | (255) | (422) |
| 1.13 Total operating and investing cash flows (carried forward) | (355) | (899) |

+ See chapter 19 for defined terms.

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Mining exploration entity quarterly report

| | | | |
|------|------------------------------------------------------------|--------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (355) | (899) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 5,183 | 6,074 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other – Transaction costs from issuing shares | (629) | (681) |
| | Net financing cash flows | 4,554 | 5,393 |
| | Net increase (decrease) in cash held | 4,199 | 4,494 |
| 1.20 | Cash at beginning of quarter/year to date | 894 | 600 |
| 1.21 | Exchange rate adjustments to item 1.20 | (18) | (19) |
| 1.22 | Cash at end of quarter | 5,075 | 5,075 |

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|------------------------------------------------------------------|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 56 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees, superannuation and office services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

13,000,000 Ordinary Fully Paid Shares were issued for the acquisition of 100% of the issued capital of Entropy Resources SA by Argentina Mining Limited upon the quotation of Argentina Mining Limited on the ASX (as per prospectus dated 25 October 2010).

46,580 Ordinary Fully Paid Shares were issued to Mr Jorge Bastias in lieu of cash option payments for tenements held by Entropy Resources SA, as required by a determination of the ASX on 7 March 2011 (as per supplementary prospectus dated 24 January 2011).

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 600 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 150 |
| Total | 750 |

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 5,075 | 894 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 5,075 | 894 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | N/A | N/A | N/A |
| 6.2 | Interests in mining tenements acquired or increased | See attached extract on tenements from prospectus dated 25 October 2010. | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------|-----------------------------------------------|--------------------------------------------------|
| 7.1 Preference securities <i>(description)</i> | | | | |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 +Ordinary securities | 59,746,583 | 33,850,004 | | |
| 7.4 Changes during quarter (a) Increases through issues: - Conversion of options - Capital raising (IPO) - Option payment (b) Decreases through returns of capital, buy-backs | - 30,000,000 46,580 - | - 30,000,000 - - | | |
| 7.5 +Convertible debt securities <i>(description)</i> | | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options - Listed | 24,850,003 | 16,925,003 | <i>Exercise price</i> \$0.20 | <i>Expiry date</i> 9 March 2015 |
| 7.8 Issued during quarter - IPO | 15,000,000 | 15,000,000 | \$0.20 | 9 March 2015 |
| 7.9 Exercised during quarter | | | | |
| 7.10 Expired during quarter | - | - | - | - |
| 7.11 Debentures <i>(totals only)</i> | | | | |
| 7.12 Unsecured notes <i>(totals only)</i> | | | | |

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29 April 2011


(~~Director~~/Company secretary)

Print name: John Arbuckle

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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SCHEDULE 1. SUMMARY OF THE OPTION AGREEMENTS

| Project | Tenements | Grantors | Execution Date | Completion Date | Key Terms | Royalty |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Cerro Blanco | Leon I, 546-700-B-94 Leon II, 546-701-B-94 Leon III, 546-702-B-94 Leon IV, 546.703-B-94 Leon V, 546-704-B-94 Serafina II, 1413-F18-95 Cateo, 1124030-B-08 | Jorge Bastias, on behalf of Hugo Bastias Graciela Bastias Hugo A. Bastias | 7 September 2009 | 2 April 2016 | <ol style="list-style-type: none"> Option payments totalling US\$235,000 in 6 instalments over 5 years, to earn 91.25% interest in the Tenements: US\$ 18,000 on 30/04/10 (paid) US\$ 17,000 on 10/12/10 US\$ 50,000 on 31/12/11 US\$ 50,000 on 31/12/12 US\$ 50,000 on 31/12/13 US\$ 50,000 on 31/12/14 First right of refusal to acquire remaining 8.75% for US\$1 million. US\$200,000 payable on commencement of a Bankable Feasibility Study ('BFS'). | 1.5% NSR (Net Smelter Royalty) |
| Amiches (1) | Bocha 1, 546-633-R-94 Amiches 2, 546-636-R-94 Amiches 3, 546-637-R-94 Amiches 11, 0240-F18-95 Oro 3, 305-577-R-88 Oro 4, 305-578-R-88 Agua Blanca 1, 0760-F28-96 Agua Blanca 2, 0761-F28-96 | Victor Hugo Ronchietto | 8 April 2007 | 8 April 2015 | <ol style="list-style-type: none"> Option payments totalling US\$150,000 in 6 instalments over 5 years: US\$ 15,000 on 30/04/10 (paid) US\$ 15,000 on 10/12/10 US\$ 30,000 on 31/12/11 US\$ 30,000 on 31/12/12 US\$ 30,000 on 31/12/13 US\$ 30,000 on 31/12/14 Right to acquire 100 % interest in the Tenements upon the completion of BFS, for US\$ 500,000. | nil |
| Amiches (2) | Don Carlos, 27-B-49 | Bocca Family | 27 April 2007 | 27 April 2015 | <ol style="list-style-type: none"> Option payments to acquire 100 % interest in the Tenements totalling US\$55,000 in 6 instalments over 4 years: US\$ 5,000 on 08/09/09 (paid) US\$ 10,000 on 31/12/09 (paid) US\$ 10,000 on 31/12/10 US\$ 10,000 on 31/12/11 US\$ 10,000 on 31/12/12 US\$ 10,000 on 31/12/13 | nil |
| Amiches (3) | Lita, 242-119-B-87 | Hugo E. Bastias Jorge A. Bastias, Graciela Bastias | 15 March 2007 | 15 March 2016 | <ol style="list-style-type: none"> Option payments to acquire 100 % interest in the Tenements totalling US\$7,000 on May 31st, 2010 (paid). US\$ 75,000 payable upon completion of BFS. | nil |

| Project | Tenements | Grantors | Execution Date | Completion Date | Key Terms | Royalty |
|--------------------|-----------------------------|----------------------------------|------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amiches (4) | Amarilla, 338-783-B-92 | Nestor Guido Arturo | 15 March 2007 | 15 March 2015 | <p>1. Option payments to acquire 100 % interest in the Tenement totalling US\$ 25,000 in 6 instalments over 5 years:</p> <ul style="list-style-type: none"> US\$ 2,500 on 30/04/10 (paid) US\$ 2,500 on 10/12/10 US\$ 5,000 on 10/12/11 US\$ 5,000 on 10/12/12 US\$ 5,000 on 10/12/13 US\$ 5,000 on 10/12/14 | nil |
| Amiches (5) | Amarilla II, 0961-A-96 | Nestor Guido Arturo | 27 November 2006 | 27 November 2014 | <p>1. Option payments to acquire 100 % interest in the Tenement totalling US\$ 25,000 in 6 instalments over 5 years:</p> <ul style="list-style-type: none"> US\$ 2,500 on 30/04/10 (paid) US\$ 2,500 on 10/12/10 US\$ 5,000 on 10/12/11 US\$ 5,000 on 10/12/12 US\$ 5,000 on 10/12/13 US\$ 5,000 on 10/12/14 | nil |
| Amiches (6) | Oro 1, 305-575-R-88 | Jorge Bastias and Eduardo Videla | 27 November 2006 | 27 November 2014 | <p>100% interest in the Tenement may be acquired on payment of US\$500,000 on completion of BFS.</p> | <p>1.5% NSR (Net Smelter Royalty) for the whole Amiches project, of which 1% is convertible for cash consideration. First 0.5% US\$ 1 million, next 0.5% US\$ 3 million, last 0.5% retained by owners in perpetuity.</p> |
| Tres Amigos | 3 Amigos Mine, 414-469-Q-04 | Esteban Amaro Quinteros | 23 July 2010 | 23 July 2014 | <p>1. Option payments totalling US\$260,000 in 16 instalments over 5 years:</p> <ul style="list-style-type: none"> US\$ 10,000 on 02/08/10 (paid) US\$ 5,000 on 15/12/10 US\$ 17,500 on 23/03/11 US\$ 17,500 on 23/07/11 US\$ 15,000 on 23/10/11 US\$ 15,000 on 15/12/11 US\$ 15,000 on 23/03/12 US\$ 15,500 on 23/07/12 US\$ 18,750 on 23/10/12 US\$ 18,750 on 15/12/12 US\$ 18,750 on 23/03/13 US\$ 18,750 on 23/07/13 US\$ 18,750 on 23/10/13 US\$ 18,750 on 15/12/13 US\$ 18,750 on 23/03/14 US\$ 18,750 on 23/07/14 | <p>1. 10% Net Profit Royalty (NPR) payable on gold produced.</p> <p>2. NPR capped at US\$ 2 million</p> <p>3. ERSA has the exclusive right to acquire 100 % interest in the Tenements by purchasing the NPR at any time for US\$ 1.5 million less the accrued payments of the Option referred to in column to the left.</p> |

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SCHEDULE 1. SUMMARY OF THE OPTION AGREEMENTS (CONTINUED)

| Project | Tenements | Grantors | Execution Date | Completion Date | Key Terms | Royalty |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| San Francisco | Las Leñas, 545.618-B-94 Niñas Muertas, 545.690-B-94 San Francisco, 339-183-B-92 (now 1124.526-Y-2010); San Francisco, 0462-F18-95; Mal Paso, 338-897-B-93 San Francisco 3, 0460-F18-95 San Francisco 4, 0461-F18-B-95 San Francisco 5, 1783-F18-B-95 San Francisco 7, 0716-F28-B-96 San Francisco 8, 1001-F28-B-96 San Francisco 9, 0717-F28-B-96 San Francisco 10, 520-0269-B-97. | Hugo E. Bastias Jorge A. Bastias Graciela Bastias Luis A. Bastias | 8 September 2009 | 8 September 2016 | <p>1. Option payments totaling US\$160,000 in 6 instalments over 5 years: US\$ 10,000 on 30/04/10 (paid) US\$ 10,000 on 10/12/10 US\$ 30,000 on 31/12/11 US\$ 30,000 on 31/12/12 US\$ 30,000 on 31/12/13 US\$ 50,000 on 31/12/14</p> <p>1. 100 % interest in the Tenements exercisable at any time or upon the completion of BFS for US\$225,000</p> | 1.5% NSR, convertibility of 1% of NSR by cash consideration of: First 0.5% US\$ 1 million, next 0.5% US\$ 3 million, 0.5% retained by owners in perpetuity. |
| Regional Exploration | La Ortiga, 546-580-R-94 East Sancarrón, 546-581-R-94 San Crispín, 0462-R-99 | Victor Hugo Ronchietto | 27 September 2010 | 27 September 2016 | <p>Option payments totaling US\$130,000 in 6 instalments over 5 years: US\$ 5,000 on 30/12/10 US\$ 25,000 on 30/12/11 US\$ 25,000 on 30/12/12 US\$ 25,000 on 30/12/13 US\$ 25,000 on 30/12/14 US\$ 25,000 on 30/12/15</p> <p>100 % interest in the Tenements exercisable at any time or upon the completion of BFS or until 27 September 2016 for US\$400,000</p> | nil |

SCHEDULE 2. SUMMARY OF THE TENEMENTS

| Project | Underlying Owner & Grantor(s) | Tenement Type | Area (Ha) | Current Status | Tenement File No |
|-----------------------------|----------------------------------------------------------------------|---------------|--------------------|---------------------------------|----------------------------------|
| CERRO BLANCO | Jorge Alfredo Bastias & Hugo Enrique Bastias & Elsa Graciela Bastias | MD | 980 | Granted | LEON I – 546-700-B-94 |
| | | MD | 2,409 | Granted | LEON II – 546-701-B-94 |
| | | MD | 2,925 | In due process for granting | LEON III – 546-702-B-94 |
| | | MD | 514 | In due process for granting | LEON IV – 546-703-B-94 |
| | | MD | 1,468 | Granted | LEON V – 546-704-B-94 |
| | | MD | 2,900 | In due process for granting | SERAFINA II – 1413-F18-95 |
| | | Cateo | 1,759 | Pending resolution | CATEO - 1124030-B-08 |
| AMICHES | E.R. Videla & J.A. Bastias | Mina | 1,000 | Granted | ORO 1 – 305-575-B-88 |
| | Victor Hugo Ronchietto | MD | 1,500 | In due process for granting | BOCHA 1 – 546-633-R-94 |
| | Victor Hugo Ronchietto | MD | 1,782 | In due process for granting | AMICHES 2 – 546-636-R-94 |
| | Victor Hugo Ronchietto | MD | 1,608 | In due process for granting | AMICHES 3 -546-637-R-94 |
| | Victor Hugo Ronchietto | MD | 968 | Pending resolution | AMICHES 11 – 0240-F18-95 |
| | Victor Hugo Ronchietto | MD | 1,608 | Pending resolution | ORO 3 – 305-577-R-88 |
| | Victor Hugo Ronchietto | MD | 798 | Pending resolution | ORO 4- 305-578-R-88 |
| | H.A.V. Bastias | Mina | 6 | Granted | LITA- 242-119-B-87 |
| | Victor Hugo Ronchietto | MD | 1,448 | Pending resolution | AGUA BLANCA I - 0760-F28-96 |
| | Victor Hugo Ronchietto | MD | 1,196 | Pending resolution | AGUA BLANCA II – 0761-F28-96 |
| | Nestor Guido Arturo | MD | 350 | In due process for granting | AMARILLA – 338-783-B-92 |
| | Nestor Guido Arturo | MD | 851 | Pending resolution | AMARILLA II – 0961-A-96 |
| | Bocca Family | Mina | 6 | Granted | DON CARLOS – 27-B-49 |
| SAN FRANCISCO | Luis Abelardo Bastias | Cateo | 3,164 | Granted | Las Leñas – 545.618-B-94 |
| | Luis Abelardo Bastias | Cateo | 1,942 | Granted | Niñas Muertas – 545.690-B-94 |
| | Carolina Yacante | MD | 1,000 | In due process for granting | San Francisco – 1124.526-Y-2010 |
| | Jorge Alfredo Bastias | MD | 1,097 | In due process for granting | San Francisco 7 – 0716-F28-B-96 |
| | Jorge Alfredo Bastias | MD | 2,674 | In due process for granting | San Francisco 5 – 1783-F18-B-95 |
| | Hugo E. Bastias | Cateo | 2,820 | In due process for granting | Mal Paso – 338-897-B-93 |
| | Jorge A. Bastias | MD | 748 | In due process for granting | San Francisco 8 – 1001-F28-B-96 |
| | Jorge A. Bastias | MD | 2,489 | In due process for granting | San Francisco 10 – 520-0269-B-97 |
| | Hugo A. Bastias | Cateo | 3,315 | In due process for granting | San Francisquito – 0462-F18-95 |
| | Hugo Enrique Bastias | MD | 2,983 | In due process for granting | San Francisco 3 – 0460-F18-95 |
| | Jorge A. Bastias | MD | 1,025 | Pending resolution | San Francisco 9 – 0717-F28-B-96 |
| Hugo E. Bastias | MD | 758 | Pending resolution | San Francisco 4 – 0461-F18-B-95 | |
| TRES AMIGOS | Esteban Quinteros | Mina | 500 | Granted | Tres Amigos 414-469-Q-04 |
| REGIONAL EXPLORATION | Víctor Hugo Ronchietto | Mina | 4,359 | In due process for granting | San Crispín 0462-R-99 |
| | Victor Hugo Ronchietto | Cateo | 5,978 | Granted | La Ortiga 546-580-R-94 |
| | Victor Hugo Ronchietto | Cateo | 6,283 | Granted | East Sancarrón 546-581-R-94 |

SCHEDULE 3. SUMMARY OF CANON PAYMENTS TO BE ASSUMED BY AML

(Canon calculated as Pesos \$400 (approximately US\$100) per 50 hectare per Year)

| Property | Area (Ha) | Status | Canon Now Due | Anniversary Date | Yearly Canon US\$ |
|-----------------------------|---------------|----------------------------------------------------------------------------------|---------------|------------------|-------------------|
| Cerro Blanco | 12,955 | 3 year payment holiday | Nil | Jan 2012 | \$ 25,910 |
| Amiches | 13,122 | Oro 1:US\$ 2,025/year Paid in Full All other tenements 3 year payment holiday | Nil | Jan 2012 | \$ 26,243 |
| San Francisco | 24,015 | 3 year payment holiday | Nil | Jan 2015 | \$ 48,030 |
| Tres Amigos | 500 | Paid in Full | Nil | Jul 2011 | \$ 1,000 |
| Regional Exploration | 16,620 | 3 year payment holiday | Nil | Jan 2013 | \$ 33,240 |
| TOTAL | 67,212 | | \$Nil | | \$134,423 |