

29 July 2011

ASX ANNOUNCEMENT

Porphyry Cu-Au-Mo mineralisation confirmed by drilling at Cerro Blanco Project

June 2011 Quarter - Activity Report

- Diamond drilling confirms porphyry Cu-Au-Mo mineralised system at Cerro Blanco
- Two 400m diamond holes completed, both in extensive copper sulphides, open at depth
- First discovery of gold credits at Cerro Blanco
- 102.5m averaging 0.18% Cu, 0.06 g/t Au, 65 ppm Mo in DDH MC-1
- 108m averaging 0.20% Cu, 0.08 g/t Au, 95 ppm Mo in DDH MC-3
- Ground magnetics survey highlights new drilling targets
- IP-Resistivity geophysics survey underway
- Resumption of drilling planned

Exploration Activities

Argentina Mining Limited (ASX:AVK) ('Argentina Mining' or 'the Company') listed on ASX on 9 March 2011. During the June 2011 Quarter, the following exploration activities were undertaken:

Cerro Blanco Cu-Au-Mo Project

Diamond Drilling

The Company's maiden drilling program commenced on schedule on 11 April 2011, just one month after the Company listed on ASX.

Two 400 metre diamond drill-holes were completed in this 'proof of concept' drilling program.

Both holes were designed to follow-up significant copper and molybdenum anomalism reported in a 1968 drill-hole, CB-3.

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Both drill-holes intersected wide zones of porphyry copper-gold-molybdenum mineralisation, with the following grades and widths reported to ASX on 23 June 2011:

DDH MC-1: 102.5m averaging 0.18% Cu, 0.06 g/t Au, 65 ppm Mo from 249m
(including 37.5m @ 0.25% Cu, 0.09g/t Au and 81ppm Mo from 314m)

DDH MC-3: 108m averaging 0.20% Cu, 0.08 g/t Au, 95 ppm Mo from 233m
(including 34.0m @ 0.26% Cu, 0.12g/t Au and 106ppm Mo from 239m)

The highest copper grades reported were 0.84% in drill-hole MC-1 and 0.48% in drill-hole MC-3.

The drill-holes intersected extensive zones of sulphide mineralisation and hydrothermal alteration, characteristic of many large Andean porphyry copper deposits. The mineralisation included both disseminated and veined chalcopyrite and pyrite and other copper sulphide minerals hosted by intensely-altered diorite porphyry and dacitic breccia over approximately 75% of the depths of both drill-holes. Both drill-holes terminated in copper mineralisation.

The Company's exploration concept that a significant porphyry copper mineralised system is present at Cerro Blanco was confirmed, clearly justifying continued exploration of the Cerro Blanco porphyry Cu-Au-Mo Deposit with the objective of delineating a Mineral Resource at the earliest opportunity.

Prior to Argentina Mining's drilling, the project had not been tested for gold. Assaying of drill-holes MC-1 and MC-3 showed gold in appreciable quantities, comparable to similar deposits and importantly, in direct association with copper, to a maximum grade of 0.38 g/t Au in MC-1.

The configuration of the drill-holes and the similarity of their lithological and mineralisation styles (Figures 1a & 1b) suggest that both holes intersected the same mineralised body, which is spatially related to that intersected in the 1968 drill-hole, CB-3.

Ground Magnetism Surveying

Encouraged by the visual presence of copper sulphide mineralisation in drill-hole MC-3, the Company brought forward a planned high resolution ground magnetism survey targeting the Copper Hill drilling target and adjacent areas.

The survey was undertaken over 3km by 3km grid on 100 metre line spacing.

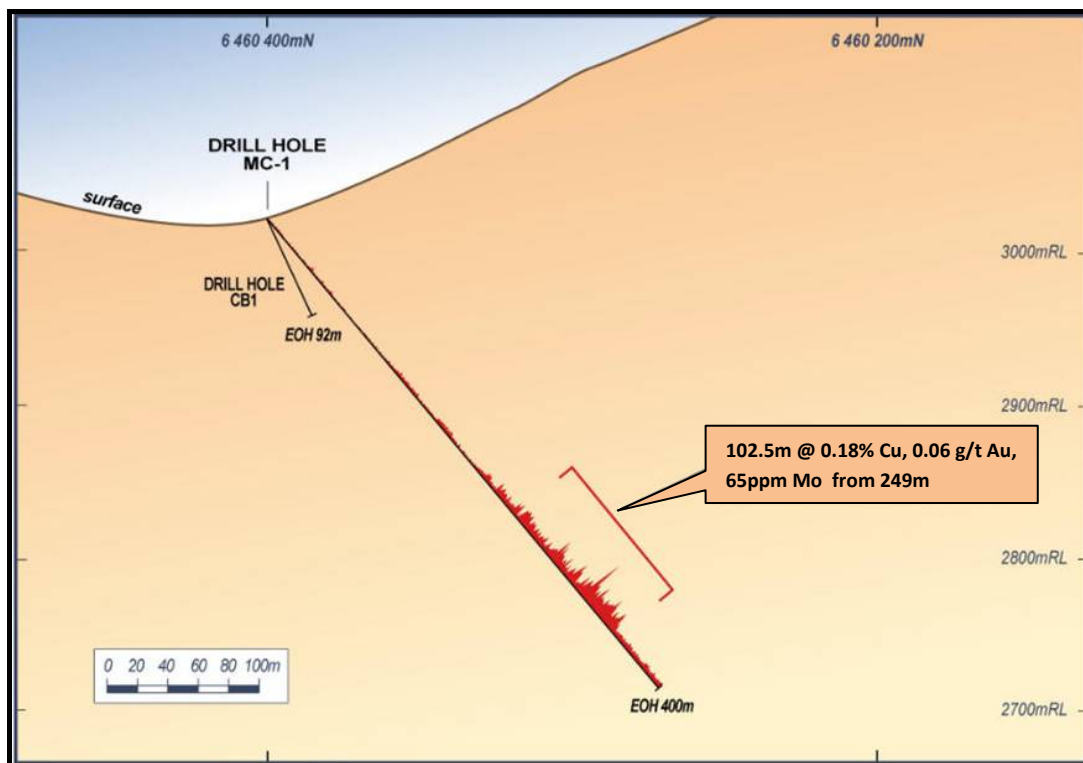


Figure 1a – Drillhole MC-1 & 1968 hole CB-1 section

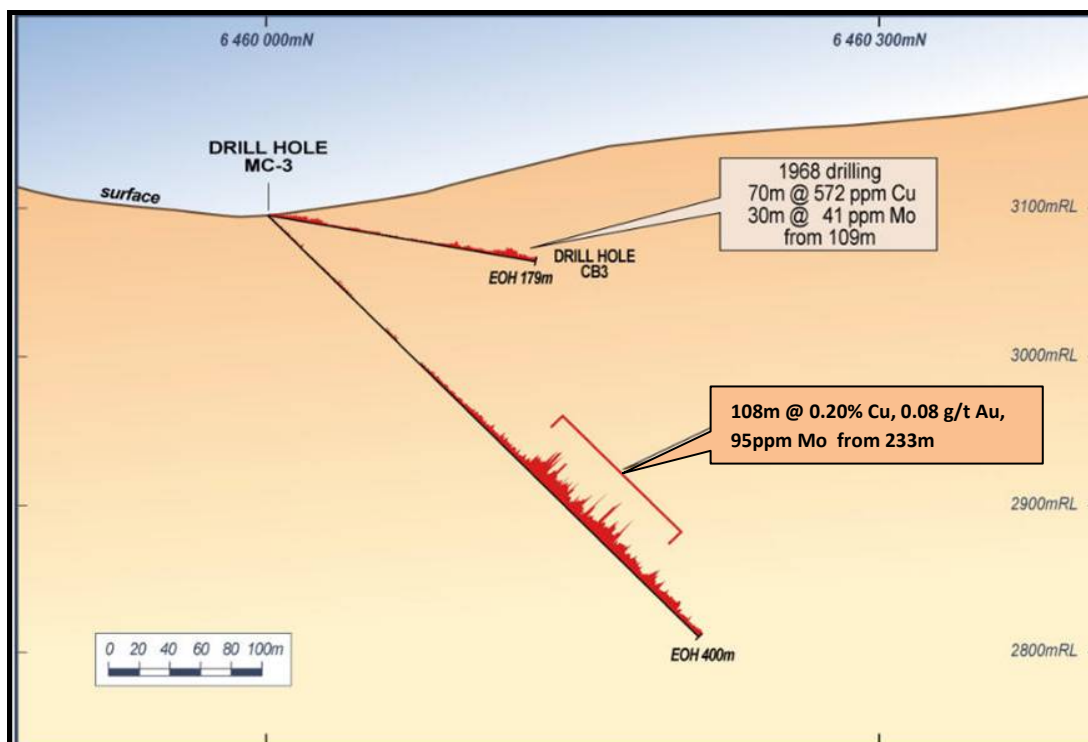


Figure 1b – Drillhole MC-3 & 1968 hole CB-3 cross-section

The results of the survey display a well-defined magnetic anomaly associated with the sulphide mineralisation intersected in the Company's diamond drill-holes. The anomaly has a broadly annular shape, typical of zoned porphyry copper deposits. The overall length of the north-south trending long axis of the anomaly is approximately 2 kilometres.

The survey was successful in highlighting targets for further drilling. These targets will be further refined by integration with geological mapping and planned Induced Polarisation-resistivity ('IP-Resistivity') surveying.

Geological Mapping

Detailed geological mapping on the Copper Hill target commenced during the June 2011 Quarter.

Geological traversing and interpretation of satellite images mapped the broad surface disposition of intrusive phases, contact alteration and brecciation marginal to the intrusive rocks, principal structural features including brecciation, faulting, shearing and veining and the intensity of alteration and oxidation.

Further detailed geological mapping and interpretation is being undertaken concurrently with development of road access into the project area.

Exploration Modelling

A review of the rich technical literature available for Porphyry Copper Deposits¹ shows that the Copper Hill Prospect exhibits many characteristics typical of porphyry copper deposits throughout the world.

Although only limited drilling has been completed at Copper Hill relative to the size of the altered and mineralised system evident at surface, the Company is sufficiently confident to invoke a generic preliminary Exploration Model (Figure 2) to assist with project planning.

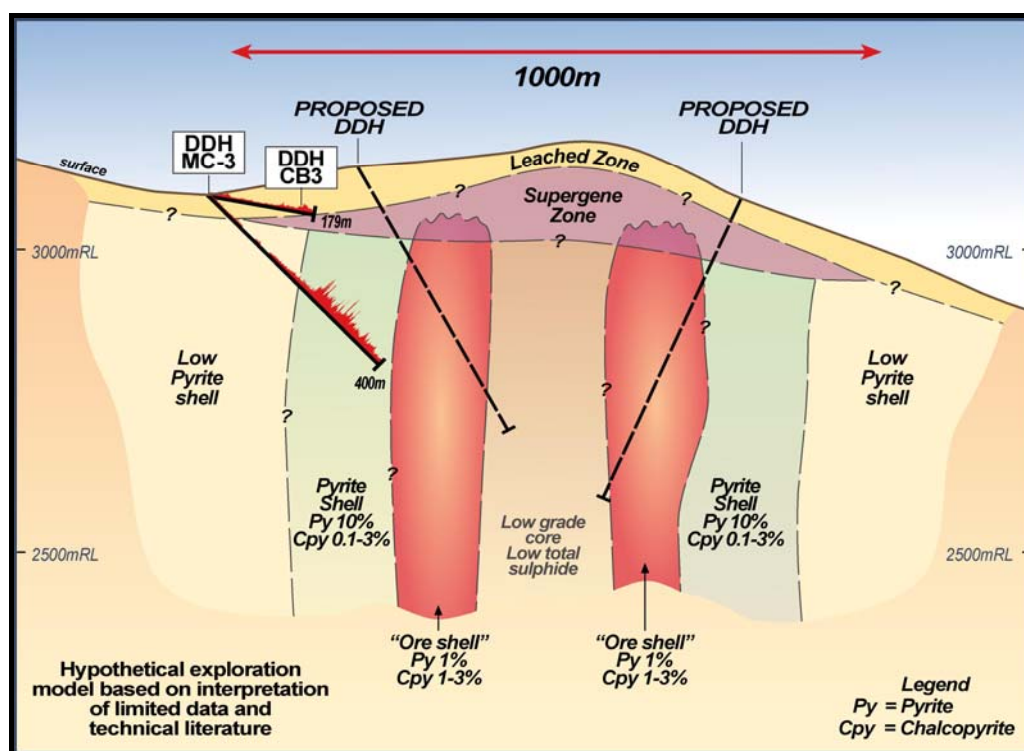


Figure 2 – Preliminary Exploration Model

Numerous variations are possible in the Exploration Model. However, features of a typical Porphyry Copper system which may reasonably be anticipated at Copper Hill include:

- Structural control of mineralisation emplacement.
- Broadly annular disposition of hydrothermal alteration, primary sulphide intensity and mineralisation styles eg disseminated versus veined stockwork mineralisation.
- Metal grade enhancements in structurally permissive zones, particularly brecciated and stockwork veined zones.
- Development of a supergene enrichment zone.

¹(For example): **D A John et al. 2010** *Porphyry Copper Deposit Model, chap B of Mineral Deposit Models for Resource Assessment: USGS Scientific Investigations Report 2010-5070-B.*

Infrastructure and Logistics

Road building and drill pad development was undertaken at Cerro Blanco, providing access for drilling (Figure 3) and other work on the project. Accommodation, a field office and a core farm was established in the local township of Barreal, approximately 25km north of the Copper Hill drill-sites.



Figure 3 – at Copper Hill drill-hole MC-1 Pad and Access

Regional Developments

Cerro Blanco lies within a 200 kilometre long regional north-west trending structural corridor defined by a major crustal-scale fault, which is marked by the Rio Blanco valley, and conjugate east-west and north-east trending crustal-scale faults (Figure 4).



Figure 4 –Regional Project Location & Major Structural Context of Cerro Blanco

This corridor, termed the Rio Blanco Corridor, is host to the major operating Los Pelambres Porphyry Cu-Au-Mo mine (Antofagasta PLC) and the El Pachon (Xstrata), Los Azules (Minera Andes Inc), Altar (Peregrine Metals Limited) San Jorge (Coro Mining Corp) resource development projects and several other significant mineral deposits and prospects.

Recent corporate events associated with some of these projects are likely to impact positively on Argentina Mining’s Cerro Blanco Project by virtue of major regional infrastructure enhancements.

These developments include the planned commencement of mining at El Pachon, at a capital expenditure of US\$4.1 billion, the proposed merger of Minera Andes Inc and US Gold Corporation, and the proposed merger of Peregrine Metals Ltd and Stillwater Mining Company. Coro Mining Corporation has also announced its intention to commence mining at San Jorge.

September 2011 Quarter Planned Activity

Exploration planned for the September Quarter at Cerro Blanco includes:

- Detailed geological mapping and interpretation
- IP-Resistivity surveying.
- Resumption of diamond drilling

Tres Amigos Au-Ag-Cu Project

A geophysical exploration program scheduled to commence in May 2011 at Tres Amigos was deferred in favour of bringing forward planned geophysical surveying at the Cerro Blanco Project. The program is now expected to commence about in the September 2011 Quarter.

1. High resolution ground magnetics
2. Dipole-Dipole Induced Polarisation/Resistivity
3. CSMAT (Controlled Source Magneto-Audio -Tellurics).

The principal targets at Tres Amigos are:

1. High grade sulphide and quartz-ironstone gold-rich veins of epithermal style in radial or circumferential shears and faults developed around the core porphyry intrusive.
2. Porphyry copper-gold mineralisation within the core porphyry intrusive and its surrounding contact metamorphic aureole.

The objective of the geophysical surveying at Tres Amigo is to identify deeper magnetic or conductive sources which may be associated with sulphide mineralisation, define the outline of shallower porphyry-related disseminated sulphide mineralisation and to better define important controlling geological structures such as faults and shear zones at varying depths.

Corporate

Board Appointments

Mr Tim Kennedy B.AppSc, G.Dip(Bus), MBA, MAUSIMM, was appointed to the Board on 19 May 2011. Mr Kennedy is Exploration Manager of Independence Group NL. This appointment was confirmed by Shareholders at the Company's First Annual General Meeting on 8 July 2011.

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Trading Codes

The Shares trade under ASX code:	AVK
The Options trade under ASX code:	AVKO

About Argentina Mining Limited

Argentina Mining Limited is exploring a suite of gold and base metal projects located in the Andean Cordillera and Pre-Cordillera mountain regions in San Juan Province, Argentina. These projects range from previously established copper-molybdenum projects at Cerro Blanco, gold and copper mineralisation at Amiches, San Francisco and Tres Amigos and the Regional Exploration tenement areas near Barrick Gold Corporation's major Veladero (Reserves 12Moz Au) and Pascua-Lama (Reserves 17.8Moz) gold operations.

Currently, exploration is focussed on Cerro Blanco, the Company's flagship project, where drilling and geophysical exploration is supporting the Company's interpretation of previous exploration results that indicates potential for an Andean-style large-tonnage porphyry copper-gold-molybdenum deposit centred on the Copper Hill Prospect.

The Company's other projects are Amiches, San Francisco and Tres Amigos, which include significant vein gold-copper and porphyry copper targets, and the Regional Exploration Project near Barrick Gold Corporation's major Veladero (Reserves 12Moz Au) and Pascua-Lama (Reserves 17.8Moz) gold operations.

Argentina Mining's cornerstone investor is Independence Group NL (ASX: IGO), which holds a 19.9% stake in the Company.

Competent Persons Statement

Information in this report that relates to Exploration Results is based on information compiled by Mr Doug Bright, a Member of the Australasian Institute of Mining and Metallurgy and a director of and consultant to Argentina Mining Limited. Mr Bright has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Bright consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.