

6 November 2012

ASX ANNOUNCEMENT

Key terms of signed MOU for JV on Cerro Blanco Project

HIGHLIGHTS

- Argentina Mining signs MOU to Joint Venture its interest in the Cerro Blanco Project with New Destiny Mining
- New Destiny to be granted an exclusive option to purchase undivided 60% interest in the project, while Argentina Mining retains 31.25% and Vendor 8.75% interest
- New Destiny to commit US\$2,000,000 in a two year drilling-based exploration program
- Argentina Mining to receive US\$300,000 cash payment and, upon regulatory approval, to be issued shares equal to 12.5% of the total issued shares in New Destiny
- New Destiny to assume responsibility for all remaining option payments to the Vendor, totalling US\$150,000, and a US\$200,000 payment to the Vendor on decision to commence a Bankable Feasibility Study
- Upon commencement of a Bankable Feasibility Study, New Destiny to have the first right of refusal to acquire the Vendor's 8.75% interest for US\$1,000,000
- If Argentina Mining elects not to contribute its 31.25% of the JV it may convert to a 10% Free Carried Interest to Production Decision
- If Production Decision is made and Argentina Mining elects not to contribute, its 10% interest will convert to a 1% Net Smelter Royalty

Argentina Mining Limited (**ASX:AVK**)(**Argentina Mining** or the **Company**) is pleased to announce the key terms of a non-binding **Memorandum of Understanding (MOU)** signed by its wholly-owned Argentine subsidiary, Entropy Resources SA (**ERSA**) with New Destiny Mining Corporation (**TSX.V:NED**)(**New Destiny**) relating to ERSA's Cerro Blanco Project (**Project**) situated 36 kilometres south-west of the township of Barreal in the Calingasta Valley in San Juan Province, Argentina.

The parties agree that they will conduct negotiations for New Destiny to be granted an exclusive option to purchase an undivided 60% interest (**Option**) in seven exploration concessions in Argentina, known as the Cerro Blanco Project, enclosing an area of 12,820 hectares (**Property**). The Property is subject to an 8.75% interest retained by the Vendor.

Under the terms of the MOU, New Destiny has until 31 January 2013 to conduct due diligence investigations on the Project and to enter into a definitive agreement (**Formal Contract**) with the other parties. New Destiny may extend the exclusivity period from 31 January 2013 until 1 March 2013 by paying Argentina Mining US\$50,000.

To exercise the Option to acquire a 60% interest in the Property, the MOU contemplates that New Destiny must complete US\$2,000,000 in drilling-based exploration on the Property, being \$500,000 within 12 months of the Execution Date and a further \$1,500,000 within 24 months of the Execution Date.

In addition, New Destiny will pay Argentina Mining US\$300,000 (US\$100,000 on signing the Formal Contract (**Execution Date**), and two further instalments of US\$100,000 every six months thereafter) and, upon regulatory approval, issue Argentina Mining the number of common shares equal to 12.5% of the total issued shares of New Destiny following completion of the necessary capital raising to fund the exercise of the Option.

New Destiny has also agreed to assume all of Argentina Mining's remaining property payments to the Vendor, totalling US\$150,000 and payable in annual instalments of US\$50,000 each 31 December until 31 December 2014, the next instalment being due on 31 December 2012. New Destiny will also assume responsibility for the payment to the Vendor of US\$200,000, upon a decision to commence a bankable feasibility study (**BFS**).

Upon New Destiny acquiring a 60% interest in the Property, the parties will enter into a joint venture agreement to further explore and develop the Property, with each holding their respective joint venture interests (New Destiny 60%, Argentina Mining 31.25%, and Vendor 8.75%).

Subject to the following, each party will contribute to the ongoing costs in proportion to their joint venture interests. If prior to or upon the decision to commence the BFS, Argentina Mining elects not to contribute its share of joint venture costs, its 31.25% interest will convert to a 10% Free Carried Interest (**FCI**) until a decision is made to enter into commercial production (**Production Decision**).

If, prior to or upon the decision to commence the BFS, the Vendor elects not to contribute its share of joint venture costs, New Destiny will have the first right of refusal to acquire the Vendor's 8.75% interest for US\$1,000,000, increasing New Destiny's interest to 68.75%, or to 90% if Argentina Mining has elected to convert its interest to a 10% FCI. In addition, in the event of the buy-out of the Vendor's 8.75% interest, the Vendor is entitled to a 1.5% Net Smelter Royalty (**NSR**).

At Production Decision, Argentina Mining will be entitled to either:

- (i) a 31.25% participating joint venture interest where it has elected to contribute its share of all costs, or
- (ii) a 10% FCI if it has previously elected not to contribute its share of all costs. If a Production Decision is made and Argentina Mining holds a 10% FCI, then Argentina Mining may elect not to contribute towards mine development and construction costs, and its 10% interest will convert to a 1% NSR.

Independence Group NL (**ASX: IGO**) has agreed to waive its First Right of Refusal and Claw-back under the Subscription and Alliance Agreement signed between Argentina Mining and Independence Group in January 2011 in return for being granted a 0.3% NSR on the proceeds of sale of any metal from the Cerro Blanco Property (net of any applicable VAT under the laws of Argentina), which NSR would apply to any assignees of the interests in the Property. However, if New Destiny withdraws from the project without earning an interest in the Property, then the 0.3% NSR will no longer apply and IGO will revert to its previous position of having full rights under the Subscription and Alliance Agreement.

Eduardo Videla, Managing Director of Argentina Mining said: *"Argentina Mining is excited to continue building our partnership with New Destiny Mining Corporation, following completion of the Tres Amigos Option on 11 October 2012. Through this association, Argentina Mining gains valuable exposure to the Canadian market. By partnering with New Destiny's strong corporate and technical team to jointly develop Cerro Blanco, our most advanced asset in San Juan, the two companies can rapidly advance this potential world-class deposit."*

About the Cerro Blanco Project

The Cerro Blanco Property is located in the Argentine Cordillera of San Juan Province, about 35 kilometres SSW of the town of Barreal. The geology of the Cerro Blanco Project is dominated by folded Carboniferous shales, schists and other sedimentary rocks later intruded or covered by Permo-Triassic granitoids and volcanic rocks. The intrusion of Tertiary porphyry dacitic stocks lead to widespread hydrothermal alteration, leaching and Cu-Au±Mo mineralization, typical of porphyry copper-type deposits. Late to Post-Tertiary dacitic tuffs overlie the volcano-plutonic assemblages. The main exploration target is a near-circular assemblage, 1.2 kilometres in diameter, of pervasively hydrothermally-altered dacitic porphyry stocks exposing secondary copper mineralization related to weathering, supergene alteration and faulting.

Copper Hill in the Cerro Blanco Project, features all the important geological, geochemical and geophysical characteristics of a potentially world-class porphyry copper-type deposit : (a) deep primary mineralization containing abundant pyrite and chalcopyrite; (b) a 20 metre thick copper-gold mineralized leached cap; (c) a 20 metre thick zone of copper oxides (malachite, chrysocolla, turquoise and azurite) which, at greater depth, shows supergene sulphide enrichment; (d) widespread phyllic quartz-sericite alteration interfacing with abundant potassic alteration, associated mainly with sulphide-rich veins and veinlets which often form stock-works; (e) disseminated bornite accompanied by chalcocite and covellite in addition to pyrite and chalcopyrite, especially at the phyllic/potassic interface and (f) late kaolin alunite (argillic) alteration.

Recent exploration work conducted by Argentina Mining in 2011 at Copper Hill included ground-based geophysical surveys (magnetics and IP-Res) and rock and soil sampling accompanied by an exploratory drilling program of five diamond drill-holes. High grade intersections obtained in core from the 2011 drilling include: 102.5m @ 0.18 wt. % copper, 0.06 g/t Au and 65 ppm Mo (DDH MC-1), 108m @ 0.20 wt. % copper, 0.08 g/t Au and 95 ppm Mo (DDH MC-3) and 20m @ 0.47 wt. % copper, 0.21 g/t Au and 244 ppm Mo (DDH MC-4). The magnetic survey reveals broadly-annular zones of high magnetic susceptibility, typical of zoned porphyry copper deposits and coincident with sulphide-mineralized intercepts in the 2011 diamond drill cores. The IP survey defined a 1.5 x 0.9 kilometre ovoid high-chargeability zone centred on Copper Hill, interpreted as the signature of zones of sulphide enrichment.

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About Argentina Mining Limited

Argentina Mining Limited listed on ASX on 9 March 2011. The Company is exploring a suite of gold and base metal projects in San Juan Province, Argentina. These projects range from the established porphyry copper-gold-molybdenum project at Cerro Blanco, epithermal vein gold and copper mineralisation at Amiches, San Francisco and regional exploration projects near Barrick Gold Corporation's major Veladero (Reserves 12Moz Au) and Pascua-Lama (Reserves 17.8Moz) gold operations.

The Company's first five diamond core-holes drilled in two phases in 2011 at the Copper Hill Prospect at Cerro Blanco intersected broad zones of porphyry copper-gold-molybdenum mineralisation which, supported by results from geophysical Ground IP-Res and Magnetics surveys, confirm the presence of a large mineralised porphyry sulphide and oxide system.

About New Destiny Mining Corporation:

New Destiny Mining Corporation is an exploration-stage company focusing on Copper-Gold Porphyry systems in the San Juan region in Argentina. New Destiny's projects include the Tres Amigos project located 70 km west of the capital city of San Juan within the San Juan Province and recently acquired from Argentina Mining, as announced to ASX (11th October, 2012). New Destiny's management team and technical board encompass over 100 years of experience in project exploration, advancement and production, with proven successes in mining and business.

Shares in New Destiny Mining trade under the code **NED** on the TSX Venture Exchange. New Destiny has a tight capital structure with 12,971,640 shares and is currently completing targeted financing to conform to the terms of the MOU for the Cerro Blanco Project and begin work on its properties.

Competent Person Statement

The information in this report relating 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 Argentina Mining Limited. Mr Bright has sufficient experience relevant to the style of mineralisation and type of deposits 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 this report of the matters based on his information in the form and context in which it appears.