

31 January 2014

ASX ANNOUNCEMENT

December 2013 Quarter Activity Report

ARGENTINA MINING COMPLETES MERGER WITH SIMBA MINERALS LIMITED

Proposed merger expands portfolio into Tanzania near major producers, bringing two new projects with high grade gold in drill intercepts & five immediate drill targets

HIGHLIGHTS

- Argentina Mining completes Merger with Simba Minerals and \$325,000 capital raising
- Company synergies bring experienced management & advanced projects in prospective terrain
- Simba holds 99.95% interest in Geita & Singida gold projects in Tanzania
- Geita Project 20km along strike from African Barrick's 17Moz Bulyanhulu Project
- Geita Project drilling yields high-grade gold intersections at Mabale Hills Prospect
- Singida Project contains extensive soil gold anomalism, up to 2,340ppb Au, in four prospects

Following the Company's announcement to ASX on 17th October 2013, that it had signed a binding Heads of Agreement (**HoA**) with Simba Minerals Limited (**Simba**) to acquire all of the issued shares in Simba (**Merger**), the principal activity of the Company during the December 2013 Quarter was directed towards fulfilling all requirements and Conditions Precedent for Completion of the Merger.

Completion was announced to ASX on 31 December 2013, and 77,420,190 ordinary fully paid shares were issued to Simba shareholders to acquire 99.95% of the issued capital of Simba.

Further details of the Merger and about Simba are available in relevant recent announcements dated as follows:

- 17th October, 2013 (Signed Heads of Agreement)
- 31st October, 2013 (September Quarterly Report)
- 31st December, 2013 (Merger Completion)

With their experienced low-cost Tanzanian exploration management team and excellent local connections, Simba has already undertaken extensive and detailed exploration within their projects, successfully defining a number of gold targets which warrant immediate further drilling. Simba is also currently finalizing the acquisition of a 99.95% interest in a gold deposit at Mabale Hills where high-grade gold results have been obtained in drilling.

The Merger has increased the Company's shareholder base, expanded market appeal, spread sovereign risk, exposed the merged company to greater development potential within its existing portfolio and provided further opportunities for portfolio expansion, especially in East Africa.

About Simba Minerals Limited

Simba is an Australian unlisted public company, incorporated in 2011, which holds a 99.95% interest in two large areas (through its 99.95% owned subsidiary **Kudu Resources (TZ) Ltd**), referred to as the **Geita** and **Singida Projects**, in the Nyanzian Craton in Tanzania, East Africa.

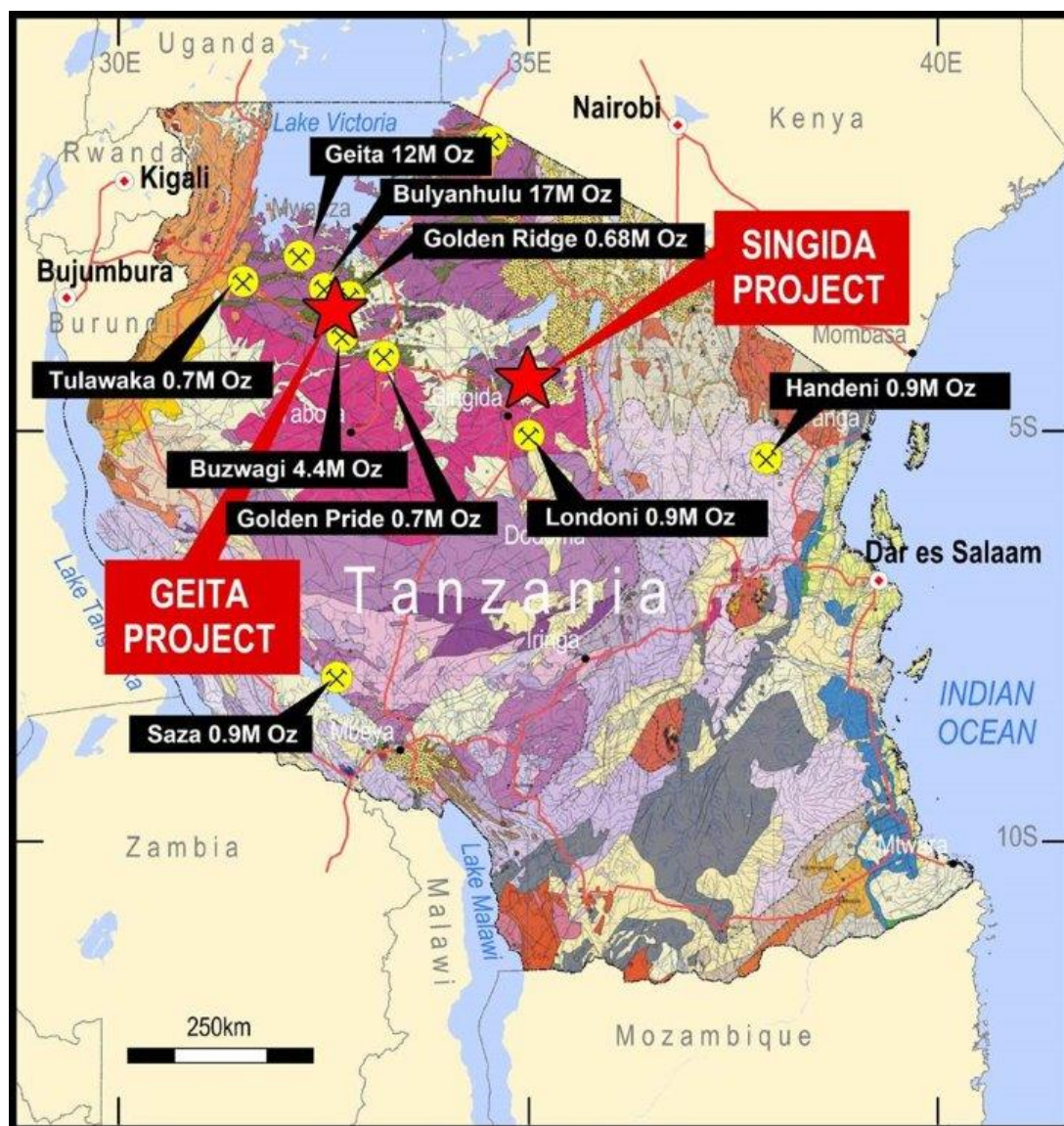


Figure 1: Simba Minerals’ Geita & Singida Project Locations & Major Tanzanian Gold Deposits

Kudu Resources (TZ) Ltd. is headed up by an experienced African geologist, Mr Willy Lazarus Mwaigwisya, and holds 99.95% rights to 22 Prospecting Licences and Applications in central and north-western Tanzania.

Mr Mwaigwisya and Mr Stockley were directly responsible for the discovery of two significant gold deposits in Tanzania: the Londoni gold deposit near Singida and the New Luika gold deposit (now in production) at Saza in the Lupa Goldfield (both owned by Shanta Gold plc). Mr Mwaigwisya is an Honours graduate in geology from the University of Dar es Salaam and has an extensive network of contacts throughout East and Central Africa.

The Nyanzian Craton is approximately 350,000km² in area and includes extensive areas of Archaean 'Yilgarn-style' greenstones, similar to those in Western Australia, which are highly prospective for gold; the greenstones are host to a globally-recognized major gold camp, with an estimated 70Moz potential, from which total 2011 gold production alone has been approximately 40 tonnes. Tanzania has been Africa's 4th largest gold producer in recent years, and is the 15th largest producer globally (World Gold Council 2013).

Simba's **Geita Project** consists of ten 99.95%-owned Prospecting Licences, covering 154km² in largely Archaean BIF-greenstone terrain in NW Tanzania, at the southern end of Lake Victoria and only 20km along strike from African Barrick's massive 17Moz Bulyanhulu Gold Project. Other nearby significant gold projects include Geita (12Moz), Buzwagi (4.4Moz), Tulawaka (0.7Moz), Golden Pride (0.7Moz) and Golden Ridge (0.68Moz) (refer Figure 1). Total gold endowment of the Lake Victoria Goldfield is in excess of 70Moz.

Within the **Geita Project**, over 10,000m of drilling at the Mabale Hills Prospect by Currie Rose Resources Inc. between 2004-2012 identified a number of significant high grade gold intercepts in an oxidized BIF-felsic porphyry host. This mineralization is open at depth and along strike and warrants immediate further drilling, while numerous other gold geochemical targets (e.g. Mimbili) at Geita also require drilling at the earliest possible opportunity.

Significant drill intercepts from Mabale Hills drilling include (refer Figures 2a & 2b):

- **DH MBNR001 34m @ 3.6g/t Au**
- **DH MBNR007 12m @ 9.1g/t Au**
- **DH MBNR015 63m @ 2.6g/t Au**
- **DH MBND001 31m @ 6.0g/t Au**

Simba's **Singida Project** consists of twelve 99.95%-owned Prospecting Licences enclosing 410km² of Archaean greenstones in Central North Tanzania, 60km north of Shanta Gold's 0.9Moz Londoni gold resource, which is not yet in production. Regional soil geochemistry at four of the Singida prospects has defined the following gold anomalism in lateritized greenstones:

- Babadede anomaly +40ppb Au (up to 2,340ppb; visible gold in panning) over 500m
- Wandela anomaly +12ppb Au (up to 1100ppb) over 4000m strike
- Ndughweye anomaly +30ppb Au over 600 by 400m
- Mze Ede anomaly +12ppb Au over 300 by 200m

The Company plans to undertake the following exploration, with the object of discovering and/or developing a JORC-compliant resource of a minimum of 250,000oz gold in Tanzania by end December 2014 and advancing at least one of the Argentine projects:

- Acquire regional aeromagnetics over the Singida Project and firm-up drill targets
- Further drilling of the Mabale Hills mineralized zone in the Geita Project
- Drilling at the Mimbili gold target, 20km SW of Mabale Hills
- Develop new regional targets at Singida and Geita
- Fund options payments and drill high value gold targets at the San Francisco Project in Argentina

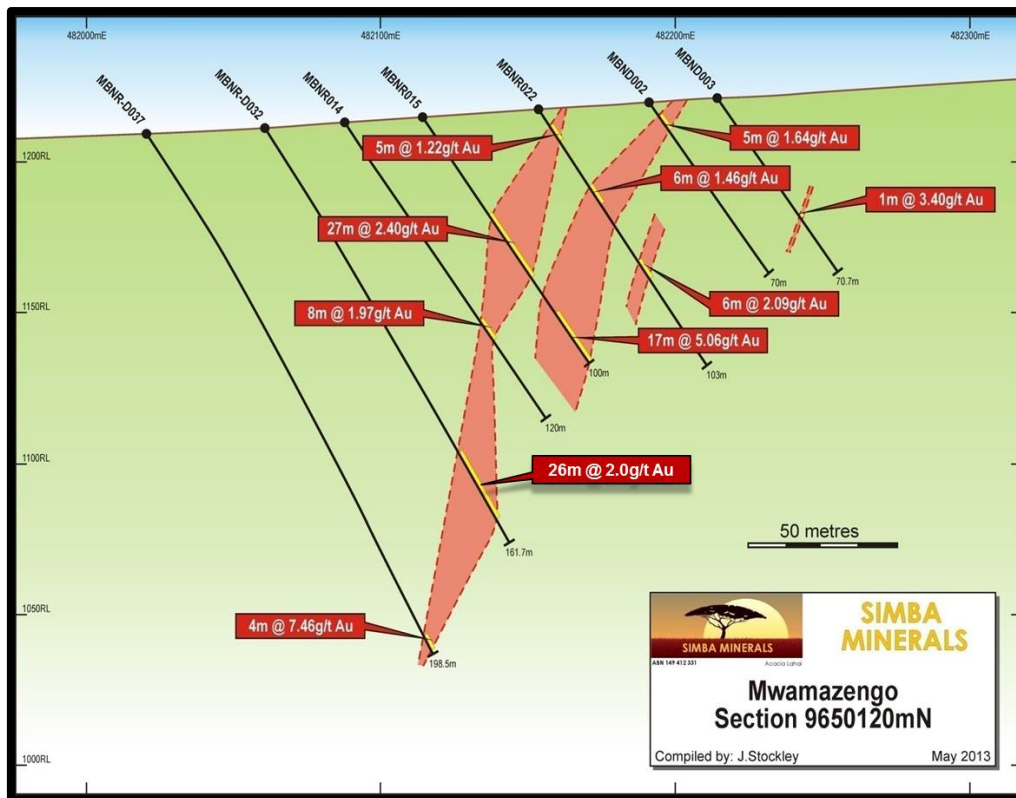


Figure 2a: Mabale Hills Prospect, Geita Project, Section 9650120N
Gold Intercepts in Drilling

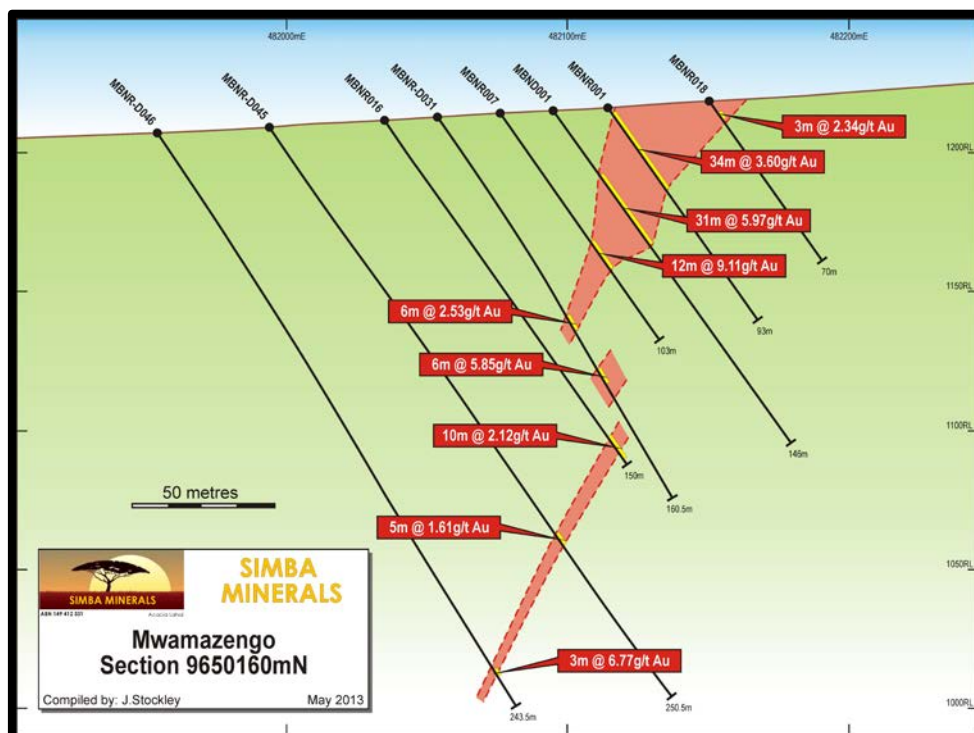


Figure 2b: Mabale Hills Prospect, Geita Project, Section 9650160N
Gold Intercepts in Drilling

EXPLORATION

In order to conserve funds, no exploration activity was undertaken by the Company during the December 2013 Quarter in Argentina. However, cash payments were incurred in respect of creditors from the previous quarter, finalising existing field work and the payment of services and salaries in relation to the exploration staff.

With regards to Simba, active mineral exploration on Archaean gold targets in central Tanzania (the Singida Project) continued during the quarter with geochemical soil surveys being carried out in the Wandela-Babadede area, and at Ndughweye. Also reconnaissance prospecting activities were carried out on gold targets at Mimbili and Mabale Hills in the Geita Project. All gold results from these programs have been received from ALS Laboratory in Johannesburg and are being evaluated for further follow-up work

CORPORATE

Board Appointees

Following completion of the merger with Simba, Mr John Stockley and Mr Allen Lafferty joined the board of directors. Mr Stockley is an experienced geologist with a track record of gold discoveries in Africa, while Mr Lafferty is an experienced commercial accountant with successful business interests in Western Australia.

Annual General Meeting

On 16 December 2013 the Company conducted its Annual General Meeting where all resolutions were carried unanimously by a show of hands.

Capital Raising

In accordance with the resolution passed by shareholders at the Annual General Meeting conducted on 16 December 2013, the Company raised \$225,000 at \$0.01 per share. Due to the initial placement being over-subscribed, the Board determined to raise an additional \$100,000 at \$0.01 per shares utilising the Company's 15% placement capacity that was refreshed at the AGM.

Cornerstone Investor Support

The Board of AVK gratefully acknowledges the continued support of cornerstone investor IGO who accepted 5 million options (exercisable at \$0.05 each and expiring on 24 December 2016) in consideration of waivers of certain rights in respect of the East African tenement portfolio. The Board was also pleased that IGO showed its support for the future direction of the Company by contributing \$75,000 towards the \$100,000 additional placement to maintain a greater than 10% equity position in the Company

Cost reductions

In light of current market conditions and limited funding, the Company reduced staff to a minimum, with only the directors working for the Company in Australia, Argentina and Tanzania on greatly reduced salaries.

Option Terminations and Variations

Terminations

The Company's tenement cost reduction measures have resulted in withdrawal from its Option Agreements relating to the Divisoria, Regional and Tres Amigos Projects, with termination documentation being signed during the September 2013 Quarter.

Variations

An Option Agreement with one vendor relating to 8 tenements comprising part of the Amiches Project was renegotiated during the September 2013 Quarter, with the effect of extending the period of repayment and providing greater flexibility as to the deadline for BFS Completion and associated final payment.

A similar variation was negotiated with the vendors of the Cerro Blanco Project.

With the San Francisco Project, a negotiated variation provides for greater flexibility regarding the deadline for BFS Completion and associated final payment.

All variation documentation was signed during the September 2013 Quarter.

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For further information, please contact:

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Competent Person Statement

The information in this report relating to Exploration Results and Inferred Resources is based on information compiled by Mr Doug Bright, a Member of the Australasian Institute of Mining and Metallurgy and a Director of and geological consultant to Argentina Mining Limited; and Mr John Stockley, a Fellow of the Australasian Institute of Mining and Metallurgy, and a Director of Simba Minerals Ltd.

Mr Bright and Mr Stockley have sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Bright and Mr Stockley consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Tenement directory

Project	Tenement number	Beneficial interest
Tanzania		
Singida	PL5367/2008	99.95%
Singida	PL6870/2010	99.95%
Singida	PL7145/2011	99.95%
Singida	PL7246/2011	99.95%
Singida	PL7296/2011	99.95%
Singida	PL7344/2011	99.95%
Singida	PL7389/2011	99.95%
Singida	PL7405/2011	99.95%
Singida	PL7644/2012	99.95%
Singida	PL8208/2012	99.95%
Singida	PL8211/2012	99.95%
Singida	PL9293/2013	99.95%
Geita	PL8293/2013	99.95%
Geita	PL9099/2013	99.95%
Geita	HQ-P23978	Application
Geita	PL3844/2005	Transfer to Kudu Resources Ltd pending
Geita	PL4496/2007	Transfer to Kudu Resources Ltd pending
Geita	PL4584/2007	Transfer to Kudu Resources Ltd pending
Geita	PL6659/2010	Transfer to Kudu Resources Ltd pending
Geita	HQ-P22175	Application
Geita	HQ-P19753	Application
Geita	HQ-P22908	Application
Kahama	PL7343/2011	99.95%
<p>Note: Kudu Resources is a 99.95% subsidiary of Simba Minerals Limited, and these tenements were acquired from Currie Rose Inc. in the second half of 2013.</p>		
Argentina		
Cerro Blanco	Leon I-546-700-B-94	Option over tenement
Cerro Blanco	Leon II-546-701-B-94	Option over tenement
Cerro Blanco	Leon III-546-702-B-94	Option over tenement
Cerro Blanco	Leon IV-546-703-B-94	Option over tenement
Cerro Blanco	Leon V-546-704-B-94	Option over tenement
Cerro Blanco	Serafina II-1413-F18-95	Option over tenement
Cerro Blanco	Cateo 1124030-B-08	Option over tenement
Amiches	Oro 1-305-575-B-88	Option over tenement
Amiches	Bocha 1-546-633-R-94	Option over tenement

Tenement directory

Project	Tenement number	Beneficial interest
Argentina (continued)		
Amiches	Amiches 2-546-636-R-94	Option over tenement
Amiches	Amiches 3-546-637-R-94	Option over tenement
Amiches	Amiches 11- 0240-F18-95	Option over tenement
Amiches	Oro 4-305-578-R-88	Option over tenement
Amiches	Lita-242-119-B-87	Option over tenement
Amiches	Agua Blanca I-0760-F28-96	Option over tenement
Amiches	Agua Blanca II-0761-F28-96	Option over tenement
Amiches	Amarilla-338-783-B-92	Option over tenement
Amiches	Amarilla II-0961-A-96	Option over tenement
Amiches	Don Carlos-27-B-49	Option over tenement
San Francisco	Las Lenas-54618-B-94	Option over tenement
San Francisco	Ninas Muertas-545-690-B-94	Option over tenement
San Francisco	San Francisco-339-183-B-92	Option over tenement
San Francisco	San Francisco 7-0716-F28-B-96	Option over tenement
San Francisco	San Francisco 5-1783-F18-B-95	Option over tenement
San Francisco	Mal Paso-338-897-B-93	Option over tenement
San Francisco	San Francisco 8-1001-F28-B-96	Option over tenement
San Francisco	San Francisco 10-520-0269-B-97	Option over tenement
San Francisco	San Francisquito-0462-F18-95	Option over tenement
San Francisco	San Francisco 3-0460-F18-95	Option over tenement
San Francisco	San Francisco 9-0717-F28-B-96	Option over tenement
San Francisco	San Francisco 4-0461-F18-B-96	Option over tenement

Note: all details relating to the Argentina tenements are contained in the Company's 2013 Annual Report