

1 April 2014

ASX ANNOUNCEMENT

AVK signs binding Heads of Agreement to sell Argentine assets to Oro Verde Limited

Argentina Mining Limited (ASX: AVK) (Company) refers to the announcement on 19 March 2014 in relation to the non-binding Memorandum of Understanding to sell its Argentine assets to Oro Verde Limited (ASX: OVL) (**OVL**).

The Company is pleased to announce that it has now entered into a binding Heads of Agreement in relation to the transaction (**Heads of Agreement**).

Pursuant to the Heads of Agreement, Oro Verde will acquire all of the outstanding ordinary shares in the Company's wholly owned Argentine subsidiary, Entropy Resources SA, (**Transaction**) which holds the mineral licence interests comprising the Cerro Blanco, Amiches, and San Francisco projects in Argentina (**Argentine Licences**).

Following the completion of the Transaction, the Company intends to focus on its properties in the prospective Archaean Tanzanian Craton, within 16km of a number of major gold projects including African Barrick's 17Moz Bulyanhulu, the 12Moz Geita, 4.4Moz Buzwagi, 0.9Moz Londoni and 0.68Moz Golden Ridge Gold Mines and several other significant gold projects in development.

HEADS OF AGREEMENT

Consideration

OVL will pay AVK an aggregate amount of A\$200,000, payable in two equal tranches, the first tranche payable following the completion of due diligence enquiries (see below), and the second tranche payable on completion under the Heads of Agreement.

Conditions Precedent

Completion of the Transaction is subject to and condition upon:

- (a) OVL completing due diligence enquiries with respect to Entropy and the Argentine Licences on or before 13 May 2014;
- (b) AVK and OVL obtaining any third party, shareholder or regulatory approvals required for the Transaction on or before 30 June 2014 including, without limitation, shareholder approval of the Transaction under ASX Listing Rule 11.1.2 if required;
- (c) ASX confirming that AVK will not need to re-comply with Chapters 1 and 2 of the Listing Rules by reason of the Transaction and any related transactions the subject of the Heads of Agreement;
- (d) Independence Group NL (**IGO**) agreeing to an amendment to the Subscription and Alliance Agreement dated 24 January 2011 (as amended) or a waiver to that agreement, such that the agreement does not apply to any of the assets of Entropy in consideration of the grant of the IGO Options (as referred to below),
- (e) no material adverse change in relation to Entropy occurring between the date of the Heads of Agreement and 30 June 2014 (or such other date as agreed in writing between the Parties).

IGO Options

If IGO agrees to the waiver of all of its rights, including pre-emptive rights under the Subscription and Alliance Agreement dated 24 January 2011 (as amended), over any of the assets of Entropy, OVL will, in consideration of such waiver, grant 5,000,000 OVL unlisted options to acquire one fully paid ordinary share in OVL per option to IGO.

Warranties

The Company and OVL have each provided customary warranties for a transaction of this nature.

The Company will provide further updates in relation to the Transaction as they become available.

==== ENDS ====

For further information, please contact:

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