

# 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	-	-
<b>Net Operating Cash Flows</b>	<b>(100)</b>	<b>(477)</b>
<b>Cash flows related to investing activities</b>		
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)
<b>Net investing cash flows</b>	<b>(255)</b>	<b>(422)</b>
1.13 Total operating and investing cash flows (carried forward)	(355)	(899)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(355)	(899)
	<b>Cash flows related to financing activities</b>		
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)
	<b>Net financing cash flows</b>	<b>4,554</b>	<b>5,393</b>
	<b>Net increase (decrease) in cash held</b>	<b>4,199</b>	<b>4,494</b>
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	<b>Cash at end of quarter</b>	<b>5,075</b>	<b>5,075</b>

**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
<b>Total</b>	<b>750</b>

### 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)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>5,075</b>	<b>894</b>

### 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	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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	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 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> - 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 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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
<b>Cerro Blanco</b>	Leon I, 546-700-B-94	Jorge Bastias, on behalf of Hugo Bastias Graciela Bastias Hugo A. Bastias	7 September 2009	2 April 2016	<ol style="list-style-type: none"> <li>Option payments totalling US\$235,000 in 6 instalments over 5 years, to earn 91.25% interest in the Tenements:                             <ul style="list-style-type: none"> <li>US\$ 18,000 on 30/04/10 (paid)</li> <li>US\$ 17,000 on 10/12/10</li> <li>US\$ 50,000 on 31/12/11</li> <li>US\$ 50,000 on 31/12/12</li> <li>US\$ 50,000 on 31/12/13</li> <li>US\$ 50,000 on 31/12/14</li> </ul> </li> <li>First right of refusal to acquire remaining 8.75% for US\$1 million.</li> <li>US\$200,000 payable on commencement of a Bankable Feasibility Study ('BFS').</li> </ol>	1.5% NSR (Net Smelter Royalty)
	Leon II, 546-701-B-94					
	Leon III, 546-702-B-94					
<b>Amiches (1)</b>	Leon IV, 546.703-B-94	Victor Hugo Ronchietto	8 April 2007	8 April 2015	<ol style="list-style-type: none"> <li>Option payments totalling US\$150,000 in 6 instalments over 5 years:                             <ul style="list-style-type: none"> <li>US\$ 15,000 on 30/04/10 (paid)</li> <li>US\$ 15,000 on 10/12/10</li> <li>US\$ 30,000 on 31/12/11</li> <li>US\$ 30,000 on 31/12/12</li> <li>US\$ 30,000 on 31/12/13</li> <li>US\$ 30,000 on 31/12/14</li> </ul> </li> <li>Right to acquire 100 % interest in the Tenements upon the completion of BFS, for US\$ 500,000.</li> </ol>	nil
	Leon V, 546-704-B-94					
	Serafina II, 1413-F18-95					
	Cateo, 1124030-B-08					
	Bocha 1, 546-633-R-94					
	Amiches 2, 546-636-R-94					
<b>Amiches (2)</b>	Amiches 3, 546-637-R-94	Bocca Family	27 April 2007	27 April 2015	<ol style="list-style-type: none"> <li>Option payments to acquire 100 % interest in the Tenements totalling US\$55,000 in 6 instalments over 4 years:                             <ul style="list-style-type: none"> <li>US\$ 5,000 on 08/09/09 (paid)</li> <li>US\$ 10,000 on 31/12/09 (paid)</li> <li>US\$ 10,000 on 31/12/10</li> <li>US\$ 10,000 on 31/12/11</li> <li>US\$ 10,000 on 31/12/12</li> <li>US\$ 10,000 on 31/12/13</li> </ul> </li> </ol>	nil
	Amiches 11, 0240-F18-95					
<b>Amiches (3)</b>	Oro 3, 305-577-R-88	Hugo E. Bastias Jorge A. Bastias, Graciela Bastias	15 March 2007	15 March 2016	<ol style="list-style-type: none"> <li>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.</li> </ol>	nil
	Oro 4, 305-578-R-88					
	Agua Blanca 1, 0760-F28-96					
	Agua Blanca 2, 0761-F28-96					

Project	Tenements	Grantors	Execution Date	Completion Date	Key Terms	Royalty
<b>Amiches (4)</b>	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"> <li>US\$ 2,500 on 30/04/10 (paid)</li> <li>US\$ 2,500 on 10/12/10</li> <li>US\$ 5,000 on 10/12/11</li> <li>US\$ 5,000 on 10/12/12</li> <li>US\$ 5,000 on 10/12/13</li> <li>US\$ 5,000 on 10/12/14</li> </ul>	nil
<b>Amiches (5)</b>	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"> <li>US\$ 2,500 on 30/04/10 (paid)</li> <li>US\$ 2,500 on 10/12/10</li> <li>US\$ 5,000 on 10/12/11</li> <li>US\$ 5,000 on 10/12/12</li> <li>US\$ 5,000 on 10/12/13</li> <li>US\$ 5,000 on 10/12/14</li> </ul>	nil
<b>Amiches (6)</b>	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>
<b>Tres Amigos</b>	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"> <li>US\$ 10,000 on 02/08/10 (paid)</li> <li>US\$ 5,000 on 15/12/10</li> <li>US\$ 17,500 on 23/03/11</li> <li>US\$ 17,500 on 23/07/11</li> <li>US\$ 15,000 on 23/10/11</li> <li>US\$ 15,000 on 15/12/11</li> <li>US\$ 15,000 on 23/03/12</li> <li>US\$ 15,500 on 23/07/12</li> <li>US\$ 18,750 on 23/10/12</li> <li>US\$ 18,750 on 15/12/12</li> <li>US\$ 18,750 on 23/03/13</li> <li>US\$ 18,750 on 23/07/13</li> <li>US\$ 18,750 on 23/10/13</li> <li>US\$ 18,750 on 15/12/13</li> <li>US\$ 18,750 on 23/03/14</li> <li>US\$ 18,750 on 23/07/14</li> </ul>	<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>

# 13 ARGENTINEAN LAWYERS' TENURE REPORT

## SCHEDULE 1. SUMMARY OF THE OPTION AGREEMENTS (CONTINUED)

Project	Tenements	Grantors	Execution Date	Completion Date	Key Terms	Royalty
<b>San Francisco</b>	Las Leñas, 545.618-B-94	Hugo E. Bastias	8 September 2009	8 September 2016	<p>1. Option payments totaling US\$160,000 in 6 instalments over 5 years:</p> <p>US\$ 10,000 on 30/04/10 (paid)</p> <p>US\$ 10,000 on 10/12/10</p> <p>US\$ 30,000 on 31/12/11</p> <p>US\$ 30,000 on 31/12/12</p> <p>US\$ 30,000 on 31/12/13</p> <p>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>	<p>1.5% NSR, convertibility of 1% of NSR by cash consideration of:</p> <p>First 0.5% US\$ 1 million, next 0.5% US\$ 3 million, 0.5% retained by owners in perpetuity.</p>
	Niñas Muertas, 545.690-B-94	Jorge A. Bastias				
	San Francisco, 339-183-B-92 (now 1124.526-Y-2010);	Graciela Bastias				
	San Francisco, 0462-F18-95;	Luis A. Bastias				
	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.						
<b>Regional Exploration</b>	La Ortiga, 546-580-R-94	Victor Hugo Ronchietto	27 September 2010	27 September 2016	<p>Option payments totaling US\$130,000 in 6 instalments over 5 years:</p> <p>US\$ 5,000 on 30/12/10</p> <p>US\$ 25,000 on 30/12/11</p> <p>US\$ 25,000 on 30/12/12</p> <p>US\$ 25,000 on 30/12/13</p> <p>US\$ 25,000 on 30/12/14</p> <p>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>	<p>nil</p>
	East Sancarrón, 546-581-R-94					
	San Crispín, 0462-R-99					



SCHEDULE 2. SUMMARY OF THE TENEMENTS

Project	Underlying Owner & Grantor(s)	Tenement Type	Area (Ha)	Current Status	Tenement File No
<b>CERRO BLANCO</b>	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
<b>AMICHES</b>	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
<b>SAN FRANCISCO</b>	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	
<b>TRES AMIGOS</b>	Esteban Quinteros	Mina	500	Granted	Tres Amigos 414-469-Q-04
<b>REGIONAL EXPLORATION</b>	Víctor Hugo Ronchietto	Mina	4,359	In due process for granting	San Crispín 0462-R-99
	Victor Hugo Ronchietto	Cateo	5,978	Granted	La Ortega 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\$
<b>Cerro Blanco</b>	12,955	3 year payment holiday	Nil	Jan 2012	\$ 25,910
<b>Amiches</b>	13,122	Oro 1:US\$ 2,025/year Paid in Full All other tenements 3 year payment holiday	Nil	Jan 2012	\$ 26,243
<b>San Francisco</b>	24,015	3 year payment holiday	Nil	Jan 2015	\$ 48,030
<b>Tres Amigos</b>	500	Paid in Full	Nil	Jul 2011	\$ 1,000
<b>Regional Exploration</b>	16,620	3 year payment holiday	Nil	Jan 2013	\$ 33,240
<b>TOTAL</b>	<b>67,212</b>		<b>\$Nil</b>		<b>\$134,423</b>