

11 October 2012

ASX ANNOUNCEMENT

Option Agreement on Tres Amigos Project Directs exploration emphasis to more advanced projects

HIGHLIGHTS

- Argentina Mining assigns its interest in Tres Amigos Project to New Destiny Mining
- New Destiny Mining to pay US\$50,000 and issue 1.5 million shares within first year
- New Destiny Mining to expend a minimum of US\$480,000 on exploration within first 12 months
- Argentina Mining retains 1.5% Net Smelter Royalty
- Agreement rationalizes Argentina Mining's portfolio, enables greater emphasis on new discoveries and more advanced projects
- Agreement confirms Argentina Mining's strategy based on partnerships to further develop its copper-gold assets in Argentina

Argentina Mining Limited (**Argentina Mining** or the **Company**)(ASX: AVK) is pleased to announce that on 10 October 2012 its wholly owned Argentine subsidiary, Entropy Resources SA (**ERSA**), signed a Sub-Option and Assignment Agreement (**Option Agreement**) relating to ERSA's Tres Amigos Project which is situated 12 kilometres north-east of the township of Barreal, in the Calingasta Valley in San Juan Province, Argentina.

Under the terms of the agreement with **New Destiny Mining Corporation (NDM)**(TSX.V: NED), a Canadian listed company, upon receipt of an option payment of US\$50,000 cash and 750,000 shares in NDM, ERSA will transfer and assign all its rights, title and interest under its agreement with the vendor of the property to NDM. ERSA will also retain a 1.5% Net Smelter Royalty (NSR).

The Option Agreement will enable Argentina Mining to direct its resources more efficiently towards evaluation of its flagship Cerro Blanco Project and other more advanced San Francisco, Amiches and Regional Exploration Projects, all of which are arrayed along the western flanks of the Calingasta Valley. Tres Amigos is the Company's only project which lies on the eastern side of the valley, in the Pre-Cordillera.

The key terms of the Option Agreement are as follows:

- (a) NDM to pay US\$50,000 cash and issue 750,000 ordinary shares to Argentina Mining within 10 days of the Acceptance date;
- (b) NDM to assume responsibility for the payment of all remaining instalment payments to the vendor of the property, totalling US\$150,000;
- (c) NDM to incur Exploration Expenses attributable to the Property of at least US\$480,000 within 12 months following the Acceptance date, including preparation of a 43-101 Technical Report;
- (d) NDM to issue a further 750,000 ordinary shares within 12 months following the Acceptance date;
- (e) ERSA to retain a 1.5% Net Smelter Royalty (**NSR**): and
- (f) NDM to maintain the property and the agreement with the property vendor in good standing during the 12 month Option Period.



Independence Group NL (**Independence**) will retain a 0.5% NSR, payable from AVK's 1.5% NSR, as consideration for waiving its Right of First Refusal under the Subscription and Alliance Agreement signed between Argentina Mining and Independence in January 2011.

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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 five 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 Tres Amigos 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 5 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. The company is planning follow-up drilling through mid-late 2012.

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 and geological consultant to 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.