



ABN 45 141 940 230

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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CORPORATE DIRECTORY

DIRECTORS

Douglas Bright (Chairman)
Eduardo Videla (Non-Executive Director)
Tim Kennedy (Non-Executive Director)
John Stockley (Non-Executive Director)
Allen Lafferty (Non-Executive Director)

COMPANY SECRETARY

John Arbuckle

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Unit 6, 25 Walters Drive
Herdsmen Business Park
Osborne Park, Western Australia 6017

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AUDITORS

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SHARE REGISTRY

Security Transfer Registrars
770 Canning Hwy
Applecross WA 6153

Telephone: +618 9315 2333
Facsimile: +618 9315 2233
Email: registrar@securitytransfer.com.au
Website: www.securitytransfer.com.au

STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange
Home Exchange: Perth
ASX Code: AVK
AVKO

DIRECTORS' REPORT

The Directors present their report on Argentina Mining Limited and its subsidiaries for the half-year ended 31 December 2013.

BOARD OF DIRECTORS

DIRECTORS

The names and details of Argentina Mining Limited ("Company") directors in office during the half-year and up to the date of this report are as follows:

Douglas Bright
Eduardo Videla
Timothy Kennedy
John Stockley (appointed 31 December 2013)
Allen Lafferty (appointed 31 December 2013)

Directors were in office for the entire period unless otherwise stated.

REVIEW OF OPERATIONS

SIMBA MERGER

The principal activity of the Company during the half year was directed towards finding a merger partner then fulfilling all requirements and Conditions Precedent for Completion of the Merger.

On 17th October 2013, the Company signed a binding Heads of Agreement (**HoA**) with Simba Minerals Limited (**Simba**) to acquire all of the issued shares in Simba (**Merger**).

Completion of the Merger occurred on 31 December 2013, and 77,420,190 ordinary fully paid shares were issued to Simba shareholders to acquire 100% of the issued capital of Simba.

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.

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. Kudu Resources (TZ) Ltd holds 99.95% rights to 22 Prospecting Licences and Applications in central and north-western Tanzania.

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). Total gold endowment of the Lake Victoria Goldfield is 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

DIRECTORS' REPORT

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:

- **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

EXPLORATION

In order to conserve funds, the exploration activity undertaken by the Company was minimal.

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.

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 share 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.

Option Terminations and Variations

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 half year.

An Option Agreement with one vendor relating to 8 tenements comprising part of the Amiches Project was renegotiated during the half year, 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.

DIRECTORS' REPORT

RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the half-year ended 31 December 2013 was \$1,883,751 (2012: \$3,825,528).

The Company's basic loss per share for the period was 2.49 cents (2012: 6.26 cents).

No dividend has been paid during or is recommended for the financial period ended 31 December 2013.

SUBSEQUENT EVENTS

On 18 March 2014, the Company announced that it had entered into a non-binding Memorandum of Understanding to sell 100% of the issued capital of wholly owned Argentine subsidiary Entropy Resources SA to Oro Verde Limited. The sale of the shares is dependent on due diligence being completed by 13 May 2014 and the consideration will be finalised in a binding Heads of Agreement that must be completed by 31 March 2014.

Mr Eduardo Videla's three year employment agreement as Managing Director ceased on 9 March 2014. Otherwise, no event has arisen since 31 December 2013 that would be likely to materially affect the operations of the Group, or the state of affairs of the Group not otherwise disclosed in the Group's financial report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 immediately follows the Directors' Report.

This report has been made in accordance with a resolution of the Board of Directors.



Douglas Bright
Chairman

Perth, 24 March 2014

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.

The Board of Directors
Argentina Mining Limited
25 Walters Drive
Herdsman Business Park
Osborne Park WA 6017

24 March 2014

Dear Board Members

Argentina Mining Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Argentina Mining Limited.

As lead audit partner for the review of the financial statements of Argentina Mining Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Neil Smith
Partner
Chartered Accountants

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
COMPREHENSIVE INCOME**
For the Half-Year Ended 31 December 2013

	Note	31 Dec 2013	31 Dec 2012
		\$	\$
Finance income		1,588	10,819
Corporate expense		(81,947)	(93,783)
Employee expense		(38,236)	(108,735)
Administration expense		(105,131)	(328,363)
Share based payment expenses	7	(61,176)	-
Impairment of exploration & evaluation expenditure	6	(1,598,849)	(3,305,466)
Loss before income tax expense		(1,883,751)	(3,825,528)
Income tax expense		-	-
Loss for the half year		(1,883,751)	(3,825,528)
		-	-
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Movement in currency translation of foreign operations		(75,422)	(31,169)
Other comprehensive income for the period, net of tax		(1,959,173)	(31,169)
Total comprehensive loss for the period		(1,959,173)	(3,856,697)
Basic loss per share (cents per share)		2.49	6.26
Diluted loss per share (cents per share)		2.49	6.26

The above income statement should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Note	31 Dec 2013 \$	30 June 2013 \$
Current Assets			
Cash and cash equivalents	5	396,042	262,891
Trade and other receivables		60,604	112,110
Total Current Assets		<u>456,646</u>	<u>375,001</u>
Non-Current Assets			
Property, plant and equipment		121,917	68,048
Financial assets		855	-
Exploration and evaluation expenditure	6	2,153,466	1,702,563
Total Non-Current Assets		<u>2,276,238</u>	<u>1,770,611</u>
TOTAL ASSETS		<u>2,732,884</u>	<u>2,145,612</u>
Current Liabilities			
Trade and other payables		366,877	142,110
Total Current Liabilities		<u>366,877</u>	<u>142,110</u>
TOTAL LIABILITIES		<u>366,877</u>	<u>142,110</u>
NET ASSETS		<u>2,366,007</u>	<u>2,003,502</u>
Equity			
Contributed equity	7	11,585,735	9,325,233
Reserves		18,352	32,598
Accumulated losses		(9,238,080)	(7,354,329)
TOTAL EQUITY		<u>2,366,007</u>	<u>2,003,502</u>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2013

	Issued Capital	Accumulated losses	Foreign currency translation reserve	Share base payment reserve	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2012	8,572,783	(2,410,420)	(33,904)	102,000	6,230,459
Loss for the period	-	(3,825,528)	-	-	(3,825,528)
Other comprehensive loss for the period	-	-	(31,169)	-	(31,169)
Total comprehensive loss for the period	-	(3,825,528)	(31,169)	-	(3,856,697)
Transactions with owners in their capacity as owners:					
Issue of shares	262,000	-	-	-	262,000
Balance at 31 December 2012	8,834,783	(6,235,948)	(65,073)	102,000	2,635,762
Balance at 1 July 2013	9,325,233	(7,354,329)	(69,402)	102,000	2,003,502
Loss for the period	-	(1,883,751)	-	-	(1,883,751)
Other comprehensive loss for the period	-	-	(75,422)	-	(75,422)
Total comprehensive loss for the period	-	(1,883,751)	(75,422)	-	(1,959,173)
Transactions with owners in their capacity as owners:					
Share based payment	-	-	-	61,176	61,176
Issue of shares	2,260,502	-	-	-	2,260,502
Balance at 31 December 2013	11,585,735	(9,238,080)	(144,824)	163,176	2,366,007

The above statement of condensed consolidated changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the Half-Year Ended 31 December 2013

	31 Dec 2013	31 Dec 2012
	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees	(178,187)	(856,144)
Interest received	1,588	9,816
	<hr/>	<hr/>
Net cash used in operating activities	(176,599)	(846,328)
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	61,763	-
Payments for purchase of property, plant and equipment	-	(3,788)
Payments for exploration and evaluation expenditure	(96,286)	(30,543)
Receipt of option fee for sale of exploration assets	-	46,803
Proceeds received from Simba Minerals Ltd merger	11 19,273	-
	<hr/>	<hr/>
Net cash provided by / (used in) investing activities	(15,250)	12,472
Cash Flows from Financing Activities		
Proceeds from issue of shares	325,000	200,000
	<hr/>	<hr/>
Net cash flows from financing activities	325,000	200,000
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	133,151	(633,856)
Cash and cash equivalents at the beginning of the half-year	262,891	954,093
	<hr/>	<hr/>
Cash and cash equivalents at the end of the half-year	396,042	320,237
	<hr/> <hr/>	<hr/> <hr/>

The above condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2013

1. CORPORATE INFORMATION

Argentina Mining Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The financial report of Argentina Mining Limited for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 24 March 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Argentina Mining Limited for the year ended 30 June 2013.

It is also recommended that the half-year financial report be considered together with any public announcements made by Argentina Mining Limited and its controlled entities during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

(a) Statement of Compliance

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirement of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 "Interim Financial Reporting", and other mandatory professional reporting requirements.

(b) Basis of Preparation

The half-year financial report has been prepared on a historical cost basis, except where stated. The accounting policies and method of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2013 annual financial report for the year ended 30 June 2013, except for the impact of the Standard and Interpretation described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(c) Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity has incurred net losses after tax of \$1,883,751 (31 December 2012: \$3,825,528) and experienced net cash outflows from operating and investing activities of \$191,849 (31 December 2012: \$833,856) for the half-year ended 31 December 2013. As at 31 December 2013 the Consolidated Entity had cash assets of \$396,042 and net current assets of \$89,769.

These conditions indicate a material uncertainty that may cast significant doubt about the Consolidated Entity's ability to continue as a going concern.

The directors have prepared a cash flow forecast for the period ending 31 March 2015 which indicates that the current cash resources will not be sufficient to fund exploration expenditure, other principal activities and working capital without the raising of additional capital.

During the half-year ended 31 December 2013 and periods subsequent to that date, the directors have undertaken several key measures to maintain the going concern status of the Consolidated Entity, including:

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2013

- (i) Ceasing exploration activities in Argentina and seeking potential buyers to acquire the Consolidated Entity's interest in those exploration activities via the sale of its 100% interest of the issued capital of its wholly owned Argentine subsidiary Entropy Resources SA. During March 2014, the directors have entered into a conditional Head's of Agreement for the sale which is expected to be completed by the end of May 2014;
- (ii) The employment contract of the Managing Director ceased in March 2014 and this has not been renewed;
- (iii) The Consolidated Entity has raised capital of \$325,000 through the issue of equity shares; and
- (iv) The ongoing management of all operating expenses in line with the cash resources available to the Consolidated entity.

During the half-year ended 31 December 2013, the directors have shifted the focus of the Consolidated Entity from exploration activities in Argentina to copper-gold exploration in Tanzania.

The Consolidated Entity will require at least \$50,000 (net of costs) to be raised no later than 30 April 2014 and a further amount of \$450,000 (net of costs) to be received by May/June 2014 from capital raising and / or proceeds from the sale of its Argentinean subsidiary referred to above, to fund its current operations on a minimum spend basis, through to March 2015. The directors have commenced discussions with various parties in relation to a proposed capital raising.

The directors are satisfied they will be able to raise additional capital when required to enable the Consolidated entity to meet their obligations as and when they fall due and that the going concern basis of preparation is appropriate.

Should the Consolidated Entity be unable to achieve the matters referred to above, there is a material uncertainty whether the Consolidated Entity will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity be unable to continue as a going concern.

(d) **Changes in Accounting Policies and Disclosures**

The consolidated entity has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current half year that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2013

Standards arising from AASB 119 (2011)

- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

Impact of the application of AASB 11

AASB 11 applies to the Consolidated Entity's interest in joint arrangements. Prior to the transition to AASB 11 the Consolidated Entity classified interests in joint arrangements as jointly controlled assets and accounted for its share of assets and liabilities, the income from the sale or use of its share of the arrangement's output and its share of the expenses incurred in respect of jointly controlled assets. Upon adoption of AASB 11, the Consolidated Entity determined its interest in joint arrangements to be classified as joint operations and will continue to account for its share of assets and liabilities, the income from the sale or use of its share of the arrangement's output and its share of the expenses incurred in respect of jointly controlled assets. The adoption of AASB 11 did not have a material impact on the amounts recognised in the consolidated financial statements.

Impact of the application of AASB 12

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements. However this did not result in any changes to the consolidated financial statements.

AASB 13 Fair Value Measurement

The Consolidated Entity has adopted AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 from 1 July 2013 together with consequential amendments to other Standards. These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Consolidated Entity for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value. The adoption of this Accounting Standard does not impact the financial performance or financial position of the Consolidated Entity.

(e) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Argentina Mining Limited and its controlled subsidiary ('the Group').

3. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements for the year ended 30 June 2013.

NOTES TO THE FINANCIAL STATEMENTS
For The Half-Year Ended 31 December 2013

4. SEGMENT INFORMATION

The Company operates in two business segment being mineral exploration in Argentina and Tanzania. The Tanzanian exploration segment was acquired during the current half year period and hence no comparative information has been presented.

(a) The net assets of the segment were:

	31 December 2013			30 June 2013	
	Argentina	Tanzania	Total	Argentina	Total
	\$	\$	\$	\$	\$
Property, plant and equipment	16,442	105,475	121,917	68,048	68,048
Exploration and evaluation assets	200,000	1,953,466	2,153,466	1,702,563	1,702,563
Cash and cash equivalent	-	-	396,042	-	262,891
Other unallocated assets	-	-	61,459	-	112,110
Total assets	216,442	2,058,941	2,732,884	1,770,611	2,145,612
Unallocated liability	-	-	366,877	-	142,110
Total liability	-	-	366,877	-	142,110

(b) The financial performance of the segment were:

	31 December 2013			31 December 2012	
	Argentina	Tanzania	Total	Argentina	Total
	\$	\$	\$	\$	\$
Other unallocated income	-	-	1,588	-	10,819
Impairment of exploration and evaluation assets	(1,598,849)	-	(1,598,849)	(3,305,466)	(3,305,466)
Other unallocated expenses	-	-	(286,490)	-	(530,881)
	(1,598,849)	-	(1,883,751)	(3,305,466)	(3,825,528)

5. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents are comprised of the following:

	31 Dec 2013	30 June 2013
	\$	\$
Cash at bank and in hand	390,777	257,626
Short term deposits	5,265	5,265
	396,042	262,891

The material non-cash investment and financing activity during the half year were:

- (a) Acquisition of mineral exploration assets in Tanzania for equity consideration of \$1,935,502 (Refer Note 11)
- (b) Share based options granted during the year for \$61,176.

NOTES TO THE FINANCIAL STATEMENTS
For The Half-Year Ended 31 December 2013

6. EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2013	30 June 2013
	\$	\$
Balance at beginning of the period	1,702,563	5,137,960
Exploration expenditure from acquisition of Simba Minerals Limited (refer Note 11)	1,953,466	
Exploration expenditure capitalised during the period	96,286	480,238
Effect of exchange rate movements	-	(38,176)
Exploration expenditure impaired during the period	(1,598,849)	(3,877,459)
Balance at end of the period	<u>2,153,466</u>	<u>1,702,563</u>

7. CONTRIBUTED EQUITY

a) Issued and fully paid ordinary shares 188,576,000 (June 2013: 78,655,810)	<u>11,585,735</u>	<u>9,325,233</u>
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b) Movement in issue and fully paid shares

	Number of shares	\$
Balance at 1 July 2013	78,655,810	9,325,233
Issued in consideration acquisition of Simba Minerals Limited at \$0.025 each (Refer Note 11)	77,420,190	1,935,502
Issued for cash consideration at \$0.01 each	32,500,000	325,000
Balance at 31 December 2013	<u>188,576,000</u>	<u>11,585,735</u>

	Number of options
c) Unexpired options at reporting date:	
\$0.20 cent options expiring 9 March 2015	24,850,003
\$0.05 cent options expiring 24 December 2016 (i)	<u>5,000,000</u>
	<u>29,850,003</u>

- (i) These options were granted during the current half year period to Independence Group in consideration for waiver of certain rights under their share subscription agreement. These options were estimated to have a fair value of \$61,176 using the Black-Scholes valuation technique.

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2013

8. COMMITMENTS

- (a) In order to maintain an interest in the exploration tenements in which the Company is involved, the Company is committed to meet the conditions under which the tenements were granted. The Company has the following contractual commitments that arise from the contracts with the underlying owners of the mining properties, in order to complete the acquisition of the rights to explore and exploit those properties.

The Company can withdraw from these agreements at any time without penalty, thus terminating those obligations. The commitments as of 31 December 2013 are as follows:

	Cerro Blanco US\$	Amiches US\$	San Francisco US\$	Total Commitments US\$
Mining Rights:				
December 2014	50,000	40,000	50,000	140,000
December 2015	50,000	-	-	50,000
Purchase Options:				
Option to purchase 100% ⁽¹⁾	1,000,000	-	-	1,000,000
Payment upon completion of feasibility study and decision to mine ⁽²⁾	200,000	1,295,000	225,000	1,720,000
Total US\$	1,300,000	1,335,000	275,000	2,910,000
FX Rate – 31 December 2013	0.8948	0.8948	0.8948	0.8948
Total A\$	1,452,839	1,491,954	307,331	3,252,124

(1) ERSA has the first right of refusal to acquire the remaining 8.75% of the tenement upon completion of option payments.

(2) Amounts payable upon completion of bankable feasibility studies and decision to mine.

- (b) The Company has entered into agreement with a finance brokerage firm to receive investment related services at a fee of \$5,000 per month for a minimum of 12 months. Half of the fee is payable through issue of equity shares and the remainder in cash.

9. CONTINGENCIES

The Company does not have any contingent assets or contingent liabilities as at 31 December 2013.

10. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 18 March 2014, the Company announced that it had entered into a non-binding Memorandum of Understanding to sell 100% of the issued capital of wholly owned Argentine subsidiary Entropy Resources SA to Oro Verde Limited. The sale of the shares is dependent on due diligence being completed by 13 May 2014 and the consideration will be finalised in a binding Heads of Agreement that must be completed by 31 March 2014.

Mr Eduardo Videla's three year employment agreement as Managing Director ceased on 9 March 2014. Otherwise, no event has arisen since 31 December 2013 that would be likely to materially affect the operations of the Group, or the state of affairs of the Group not otherwise disclosed in the Group's financial report.

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2013

11. ACQUISITION OF SIMBA MINERALS LIMITED

On 16 December 2013 at the Company's annual general meeting the shareholders approved the acquisition of 100% of the issued capital of Simba Minerals Limited. This conditions precedent to this acquisition were satisfied on 31 December 2013 and resulted in the issue of 77,420,190 fully paid ordinary shares at a deemed price of \$0.025 each per share, being the closing price on the ASX on that date.

The fair value of the identifiable assets and liabilities of Simba Minerals Limited as at the date of acquisition are:

	Consolidated	
	Recognised on acquisition	Carrying value
	\$	\$
Receivables	17,223	17,223
Cash and cash equivalents	19,273	19,273
Exploration and Evaluation	1,953,466	1,347,764
Financial asset	855	855
Property, plant and equipment	105,475	105,475
	<u>2,096,292</u>	<u>1,490,590</u>
Trade payables	160,790	160,790
	<u>160,790</u>	<u>160,790</u>
Fair value of identifiable net assets	<u>1,935,502</u>	<u>1,329,800</u>
Cost of the combination:		
Shares issued, at fair value	1,935,502	
Cash consideration	-	
Total cost of the combination	<u>1,935,502</u>	
The cash outflow on acquisition is as follows:		
Net cash acquired with the subsidiary	19,273	
Cash paid	-	
Net cash inflow	<u>19,273</u>	

DIRECTORS' DECLARATION

The Directors of the company declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Douglas Bright', written over a horizontal line.

Douglas Bright
Chairman

Perth, 24 March 2014

Independent Auditor's Review Report to the members of Argentina Mining Limited

We have reviewed the accompanying half-year financial report of Argentina Mining Limited, which comprises the condensed statement of financial position as at 31 December 2013, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 19.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Argentina Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Argentina Mining Limited would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Argentina Mining Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw attention to Note 2 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$1,883,751 and had net cash outflows from operating and investing activities of \$191,849 during the half-year ended 31 December 2013. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore the Consolidated Entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



DELOITTE TOUCHE TOHMATSU



Neil Smith
Partner
Chartered Accountants
Perth, 24 March 2014