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**ARGENTINA MINING LIMITED
ABN 41 141 940 230**

PROSPECTUS

A non-renounceable pro rata offer to Eligible Shareholders of up to approximately 102,519,196 New Shares at an issue price of 1 cent per New Share on the basis of one (1) New Share for every two (2) Existing Shares held, and 51,259,598 free attaching New Options on the basis of one (1) free attaching New Option for every two (2) New Shares subscribed for and issued, to raise up to approximately \$1,025,192 before costs

Important Notice

This document is important and should be read in its entirety (including the 'Risk Factors' in **section 6**) before deciding whether to apply for New Securities. If after reading this Prospectus you have any questions about the New Securities being offered under this Prospectus, then you should consult your stockbroker, accountant or other professional adviser.

The New Securities offered by this Prospectus should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

IMPORTANT NOTES

This Prospectus is dated 17 April 2014 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus. No New Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Company will apply to ASX for the New Securities to be granted quotation on ASX.

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer. Refer to **section 2.18** for treatment of overseas shareholders. Applications for New Shares and New Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus including each of the documents attached to it and which form part of this Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

In particular, it is important that you consider the risk factors (see **section 6** of this Prospectus) that could affect the performance of the Company before making an investment decision.

Investors should note that past Share price performance of the Company provides no guidance to its future Share price performance. Neither the Company nor any other person warrants or guarantees the future performance of the New Securities or any return on any investment made pursuant to this Prospectus.

The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward looking statements. The forward looking statements in this Prospectus are based on the Company’s current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus. Investors should specifically refer to the ‘Risk Factors’ in **section 6** of this Prospectus. That section refers to some but not all of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Prospectus.

Cooling-off rights do not apply to a subscription for New Securities under this Prospectus. This means that you cannot withdraw your application once it has been submitted except as required by law. Once the New Securities are issued and quotation is granted by ASX you may sell your New Securities on market.

Some words and expressions used in this Prospectus have defined meanings which are explained in **section 9**.

ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at <http://www.argentinamining.com.au>, or the ASX website. Any person accessing the electronic version of this Prospectus for the purposes of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person the Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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ENTITLEMENT AND ACCEPTANCE FORM

SUMMARY OF IMPORTANT DATES

| RIGHTS ISSUE OFFER | Date |
|---|------------------------|
| Lodgment Date | 17 April 2014 |
| “Ex” date | 24 April 2014 |
| Record date to determine Entitlements for the Rights Issue Offer | 29 April 2014 |
| Prospectus with Entitlement and Acceptance Form dispatched | 2 May 2014 |
| Rights Issue Offer opens for receipt of Applications | 2 May 2014 |
| Closing date for acceptances for the Rights Issue Offer | 5pm WST on 13 May 2014 |
| New Shares and New Options quoted on a deferred settlement basis | 14 May 2014 |
| Notify ASX of under subscriptions for the Rights Issue Offer | 16 May 2014 |
| Allotment and issue of New Shares and New Options | 20 May 2014 |
| Dispatch of holding statements for New Shares and New Options | 20 May 2014 |
| Normal trading of New Shares and New Options commences on the ASX | 21 May 2014 |

| BROKER OFFER – <i>Not open to the general public</i> | Date |
|---|----------------|
| Broker Offer opens for receipt of Applications | 2 May 2014 |
| Broker Offer closes | 12 August 2014 |
| Issue of Broker Options | 13 August 2014 |
| Quotation of Broker Options on ASX | 14 August 2014 |

| CLEANSING OFFER – <i>Not open to the general public</i> | Date |
|--|---------------|
| Cleansing Offer opens | 17 April 2014 |
| Cleansing Offer closes | 6 May 2014 |
| Issue of Cleansing Shares | 6 May 2014 |
| Quotation of Cleansing Shares on ASX | 7 May 2014 |

These timetables are indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the Listing Rules and Corporations Act.

1. LETTTER FROM THE CHAIRMAN

17 April 2014

Dear Shareholder

On behalf of the Board I take pleasure in presenting the Prospectus for Argentina Mining Limited's (**Company**) Rights Issue Offer to Eligible Shareholders.

On 17 April 2014, the Company announced an intention to raise up to approximately \$1.18 million through a two stage process comprised of:

- (a) a placement to institutional and sophisticated investors to raise approximately \$160,500 (before costs); and
- (b) a non-renounceable rights issue to raise up to approximately \$1,025,192 (before costs).

The Company has secured commitments totalling approximately \$160,500 under the Placement to be raised by the issue of approximately 16,050,000 Shares at 1 cent per Share.

The Rights Issue Offer is expected to raise up to approximately \$1,025,192 (before costs) through the issue of up to 102,519,196 New Shares at an issue price of 1 cent per share on the basis of one (1) New Share for every two (2) Existing Shares held, together with 51,259,598 free attaching New Options on the basis of one (1) New Option for every two (2) New Shares subscribed for and issued under the Rights Issue Offer. The Rights Issue Offer will be made to all Shareholders with registered addresses in Australia or New Zealand on the Record Date of 29 April 2014.

Use of funds

The Company intends to apply the funds raised under the Rights Issue Offer towards further exploration of the Company's properties in Tanzania. In particular, this will include follow-up extension and infill drilling in an area of high-grade drill intercepts identified by previous tenement holders at Mabale Hills in the Geita Project area, with the object of identifying and advancing a resource to JORC compliance, and drilling of a number of high-quality soil and rock-chip gold geochemical anomalies within the Singida Project area, as well as further geochemistry, on-ground geophysics and acquisition of available geophysical data over both project areas, working capital and expenses of the Offers.

Please read this Prospectus carefully before deciding whether or not to invest. An investment in the Company contains specific risks which you should consider before making that decision. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

The Board commends the Rights Issue Offer to you and looks forward to your continuing support.

Yours sincerely

ARGENTINA MINING LIMITED



Douglas Bright

Chairman

2. DETAILS OF THE OFFERS

2.1 Background

On 17 April 2014, the Company announced an intention to raise up to approximately \$1.18 million through a two stage process comprised of:

- (a) a placement to institutional and sophisticated investors to raise approximately \$160,500 (before costs) (**Placement**); and
- (b) a non-renounceable rights issue to raise up to approximately \$1,025,192 (before costs).

The Company has secured commitments under the Placement totalling approximately \$160,500 to be raised by the issue of approximately 16,050,000 Shares at 1 cent per Share.

2.2 Placement

The Company intends to issue the Shares under the Placement prior to the Record Date for the Rights Issue Offer utilising, to the extent available, its Listing Rule 7.1A 10% placement capacity. In the event that the Company cannot issue all of the Placement Shares under its 10% placement capacity, the Company will issue some of the Placement Shares under its existing Listing Rule 7.1 capacity and it will seek Shareholder approval for the issue of the remainder of the Shares.

In the event that not all of the Shares under the Placement are issued prior to the Record Date, the figures in this Prospectus, in particular the number of securities under the Rights Issue Offer will be adjusted accordingly.

2.3 Rights Issue Offer

A non-renounceable pro rata offer to Eligible Shareholders of up to approximately 102,519,196 New Shares (assuming no existing Options are exercised before the Record Date) on the basis of one (1) New Share for every two (2) Existing Shares held as at the Record Date at an issue price of 1 cent each, and 51,259,598 free attaching New Options on the basis of one (1) free attaching New Option for every two (2) New Shares subscribed for and issued, to raise up to approximately \$1,025,192 before costs (**Rights Issue Offer**).

2.4 Broker Offer

The Company also offers for subscription under this Prospectus Broker Options to the brokers who are involved in the placement of the Shortfall under the Rights Issue Offer (**Brokers**).

The Company will pay a 5% brokerage fee on all New Shares placed by the Brokers under the Shortfall under the Rights Issue. The Company is also offering up to approximately 20,500,000 Broker Options to the Brokers on the basis of 2,000,000 new Broker Options for every \$100,000 worth of New Shares (or part thereof on a proportionate basis) placed under the Shortfall under the Rights Issue Offer (**Broker Offer**). The Broker Options will be issued for nil consideration.

As at the date of this Prospectus, the Company has capacity to issue approximately 11,848,259 Broker Options under its Listing Rule 7.1 capacity. The Company will in the first instance issue the Broker Options utilising its 15% capacity to the extent available and to the extent such capacity has not been used in relation to the issue of the Placement Shares. In the event that the Company is required to issue Broker Options in excess of its available capacity, it will seek Shareholder approval for such issue.

The Brokers will need to follow the procedures advised to them by the Company for submitting applications under the Broker Offer, including the completion of any relevant application form.

The Broker Offer is not open to the general public. Do not apply for Broker Options unless directed to do so by the Company.

2.5 Cleansing Offer

This Prospectus also includes an offer to selected investors of 100 Cleansing Shares at an issue price of 1 cent per Cleansing Share to raise \$1 (**Cleansing Offer**).

As detailed in **section 2.1**, the Company has secured firm commitments totalling \$160,500 under the Placement. The issue of Shares under the Placement will be undertaken without disclosure to professional and sophisticated investors under Part 6D of the Corporations Act.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX; and
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The purpose of the Cleansing Offer is therefore, to comply with section 708A(11) of the Corporations Act so that the placees can sell the Shares to be issued under the Placement, within the next 12 months without the issue of a prospectus.

The issue of Shares to the placees will not be undertaken by the Company with the purpose of the placees selling or transferring their Shares. However, the Directors consider that the placees should be able to sell their Shares within the next 12 months should they wish to do so, without being required to issue a prospectus.

2.6 No Minimum Subscription

There is no minimum subscription for the Rights Issue Offer, Broker Offer or Cleansing Offer.

2.7 No Underwriting

The Rights Issue Offer, Broker Offer and Cleansing Offer are not underwritten.

2.8 Entitlements

The Rights Issue Offer is available to Eligible Shareholders who are on the Company's share register at the Record Date.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements, to the extent permitted by the Listing Rules. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements, to the extent permitted by the Listing Rules.

An Entitlement and Acceptance Form setting out Eligible Shareholders' Entitlement to New Shares and New Options accompanies this Prospectus.

The Broker Offer is only available to the Brokers, and is not open to the general public.

The Cleansing Offer is only available to investors invited by the Company to subscribe for Cleansing Shares, and is not open to the general public.

2.9 Acceptances

The Rights Issue Offer may be accepted in whole or in part prior to 5.00pm (WST) on 13 May 2014 subject to the rights of the Company to extend the Rights Issue Offer period or close the Rights Issue Offer early.

Instructions for accepting your Entitlement are set out in **section 4** and on the Entitlement and Acceptance Form which accompanies this Prospectus.

The Broker Offer is only available to the Brokers who will need to follow the procedures advised to them by the Company for submitting applications under the Broker Offer including the completion of any relevant application form. Do not apply for Broker Options unless directed to do by the Company.

The Cleansing Offer is only made to investors invited by the Company to subscribe for Cleansing Shares who will need to follow the procedures advised to them by the Company for submitting applications under the Cleansing Offer including the completion of any relevant application form. The Company may determine in its discretion whether to accept any, or all applications.

2.10 No Rights Trading

The Rights Issue Offer is non-renounceable. This means that the Rights of Eligible Shareholders to subscribe for New Shares and New Options under the Rights Issue Offer are not transferable and there will be no trading of Rights on ASX. Eligible Shareholders who choose not to take up their Rights will receive no benefit and their shareholding in the Company will be diluted as a result.

There are no trading of rights in relation to the Broker Offer or Cleansing Offer.

2.11 Applying for Additional New Securities under the Rights Issue Offer

Eligible Shareholders may, in addition to their Entitlement, apply for additional New Shares and New Options under the Rights Issue Offer regardless of the size of their present holding.

Any Entitlements not taken up may become available as Additional New Securities which may be placed by the Company. It is possible that there will be few or no Additional New Securities available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Additional New Securities are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Rights Issue Offer that applicants for Additional New Securities will be bound to accept a lesser number of Additional New Securities allocated to them than applied for, if so allocated. If a lesser number of Additional New Securities is allocated to them than applied for, excess application money will be refunded without interest. The Company reserves the right to scale back any applications for Additional New Securities in its absolute discretion.

2.12 Stamping Fee

The Company may pay a broker stamping fee of up to 5% of the funds raised under the Rights Issue Offer as a result of Shareholders accepting their Entitlement where the Entitlement and Acceptance Form contains the broker stamp of certain participating brokers as determined by the Directors in their sole discretion.

2.13 Placement of Shortfall Securities under the Rights Issue Offer

A Shortfall will arise if the Applications received for New Shares and New Options under the Rights Issue Offer are less than the number of New Shares and New Options offered.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place any Shortfall Securities remaining after the satisfaction of applications for New Shares and New Options by Eligible Shareholders (including pursuant to **section 2.11**) (**Shortfall Offer**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months from the closing date of the Rights Issue Offer.

The issue price for each New Share to be issued under the Shortfall Offer will be not less than 1 cent, being the price at which New Shares are being offered under the Rights Issue Offer. Applicants for New Shares will receive one New Option for every two New Shares subscribed for and allotted under the Shortfall Offer.

The Shortfall Securities to be issued under the Shortfall Offer will be issued on the same terms as the New Shares and New Options issued under the Rights Issue Offer (except that the issue price of the New Shares offered the Shortfall Offer may be higher than the issue price of the New Shares being offered under the Rights Issue Offer).

Investors who the Company invites to participate in the Shortfall Offer will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

2.14 Effect of the Offers on the Control of the Company

(a) General

Assuming the issue of all of the Shares under the Placement (see **section 2.2**), and no existing Options are exercised prior to the Record Date, the maximum number of New Shares which will be issued pursuant to the Rights Issue Offer is 102,519,196. This equates to approximately 33.33% of all the issued Shares in the Company following completion of the Rights Issue Offer (on an undiluted basis).

The potential effect the Rights Issue Offer will have on the control of the Company's undiluted share capital will depend on the extent to which Eligible Shareholders take up their Entitlements under the Rights Issue Offer.

If all Eligible Shareholders take up their Entitlements in full, the Rights Issue Offer will have no material effect on the control of the Company.

Shareholders should be aware that if they do not participate in the Rights Issue Offer and the Rights Issue Offer is fully subscribed, their holdings are likely to be diluted by approximately 33.33% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

(b) Substantial Shareholders and control of the Company

As at the date of this Prospectus, Independence Group NL has a relevant interest in 23,187,443 (12.27%) of the Company's total issued Shares and is, therefore, a substantial Shareholder of the Company. In the event that Independence Group NL applies for Additional New Securities which become available as a result of a Shortfall (if any), the Company will not allocate any Additional New Securities such that their relevant interest in voting shares in the Company would exceed 20% of the total issued voting shares in the Company other, than in accordance with the Corporations Act.

2.15 Allotment and Application Money

The New Shares and New Options under the Rights Issue Offer will be issued only after all Application Money has been received and ASX has granted permission for the New Shares and New Options to be quoted. It is expected that New Shares and New Options will be issued on 20 May 2014 and normal trading of the New Shares and New Options on ASX is expected to commence on 21 May 2014.

All Application Money received before New Shares and New Options are issued will be held in a special purpose account. After Application Money is refunded (if required) and New Shares are issued to Applicants, the balance of funds in the account plus accrued interest will be received by the Company.

It is expected the Broker Options under the Broker Offer will be issued on 13 August 2014 and normal trading of the Broker Options on ASX is expected to commence on 14 August 2014.

The Directors will determine the allottees of the Cleansing Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Cleansing Shares than the number applied for. Assuming the Cleansing Offer proceeds, and subject to ASX granting the Cleansing Shares Official Quotation, it is expected that the Cleansing Shares will be issued on 6 May 2014 and normal trading of the Cleansing Shares on ASX is expected to commence on 7 May 2014.

2.16 Quotation

Application will be made within seven days of the date of issue of this Prospectus for the New Securities to be granted Official Quotation by ASX. If such an application is not made within these seven days, or Official Quotation of the New Shares and New Options is not granted by ASX within three months of the date of this Prospectus, then the Company will not allot or issue any New Shares or New Options and all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

The fact that ASX may agree to grant Official Quotation of the New Securities is not to be taken in any way as an indication of the merits of the Company or the New Securities. ASX takes no responsibility for the contents of this Prospectus.

2.17 Issue Outside Australia and New Zealand

This Prospectus does not constitute an offer of New Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offers. No action has been taken to register or qualify the New Securities or the Offers or otherwise to permit an offering of New Securities in any jurisdiction outside Australia and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

2.18 Treatment of Overseas Shareholders

The Rights Issue Offer in this Prospectus is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand because of the small number of such Shareholders, and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand. The Prospectus is sent to those Shareholders for information only.

The Rights Issue Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any securities under this Prospectus.

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia (other than to Eligible Shareholders).

It is the responsibility of any Shareholder who submits an Application Form to obtain all necessary approvals for the allotment and issue of the New Shares and New Options under this Rights Issue Offer. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant to the Company that there has been no breach of such laws and that all relevant approvals have been obtained.

2.19 Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares and Cleansing Shares being offered under this Prospectus, during the three months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

| | 3 months high | 3 months low | Last Market Sale Price |
|-----------------|--|-------------------------|--------------------------|
| Existing Shares | \$0.022 17, 20, 21, 22, 23, 24, 28, 29, 30, 31 January, and 3 February 2014 | \$0.014 4 March 2014 | \$0.015 16 April 2014 |

2.20 Opening and Closing Dates

The Rights Issue Offer will open for receipt of acceptances on 2 May 2014 and will close at 5.00pm (WST) (2.00pm (WST) for BPAY®) on 13 May 2014, subject to the right of the Company to vary these dates.

The Broker Offer will open for receipt of acceptances on 2 May 2014 and will close on 12 August 2014, subject to the right of the Company to vary these dates. Note that the Broker Offer is not available to the general public.

The Cleansing Offer will open for receipt of acceptances on 17 April 2014 and will close on 6 May 2014, subject to the right of the Company to vary these dates. Note that the Cleansing Offer is not available to the general public.

2.21 CHES

The Company participates in the Clearing House Electronic Sub-register System (**CHES**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHES, applicants will not receive a certificate but will receive a statement of their holding of New Securities.

If you are broker sponsored, ASX Settlement will send you a CHES statement.

The CHES statement will set out the number of New Securities issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

A CHES statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.22 Rights and Liabilities attaching to the New Securities

The New Shares issued under the Rights Issue Offer and Cleansing Shares issued under the Cleansing Offer will rank equally in respect of dividends and in all other respects (e.g. voting, bonus issues) as Existing Shares.

The New Options issued under the Rights Issue Offer and Broker Options issued under the Broker Offer will be exercisable at 5 cents each on or before 24 December 2016.

A summary of the rights and liabilities attaching to the New Securities is set out in **section 5**.

2.23 Taxation Implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offers or Shareholders or other eligible applicants applying for New Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders under the Offers. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Issue.

2.24 Notice to nominees and custodians

Nominees and custodians that hold Existing Shares should note that the Rights Issue Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue Offer is compatible with applicable foreign laws.

2.25 Enquiries

Any queries regarding the Offers should be directed to Mr John Arbuckle, Company Secretary on +61 8 9204 2433.

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry, Security Transfer Registrars Pty Ltd on +61 8 9315 2333.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offers.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

The purpose of the Placement and the Rights Issue Offer is to raise up to approximately \$1.18 million before issue costs.

The Directors intend to apply the proceeds from the Placement and Rights Issue Offer together with the Company's existing cash reserves for the following purposes in accordance with the table set out below:

- further exploration on Tanzanian assets;
- provide additional working capital; and
- to fund expenses of the Offers – including legal costs, marketing and other administrative expenses (including ASX, ASIC and Share Registry fees).

The table assumes that Entitlements are taken up in full and that no Options are exercised before the Record Date.

| Use of Funds | Amount |
|--|--------------------|
| Exploration | |
| Geophysics at Mimbili and Wandela | \$35,000 |
| Drilling at Mimbili | \$130,000 |
| Drilling at Mabale Hills ¹ | \$260,000 |
| Follow-up work and drilling at Wandela | \$230,000 |
| Corporate | |
| Working capital | \$515,000 |
| Expenses of the Offers | \$15,000 |
| TOTAL | \$1,185,000 |

Notes

- 1 A portion of the proposed drilling at Mabale Hills is contingent on the Company entering into access and/or acquisition arrangements in respect of a minimum of two Primary Mining Licences (PMLs) held by third parties. The Company will utilise the funds allocated to working capital in the table above to fund any such arrangements.

The table above is a statement of the Directors' current intentions as at the date of this Prospectus. In the event that circumstances change or other opportunities arise the Directors reserve the right to vary the proposed use of funds to maximise benefits to Shareholders.

The purpose of the Broker Offer is to partially remunerate the Brokers in connection with the placement of the Shortfall Securities under the Rights Issue Offer.

The purpose of the Cleansing Offer is to facilitate secondary trading of Shares to be issued under the Placement.

3.2 Effect of the Offers

The effect of the Placement and Offers will be (assuming all of the Shares under the Placement are issued (see **section 2.2**), no Options are exercised prior to the Record Date and the Rights Issue Offer is fully subscribed) that:

- (a) cash reserves will initially increase by approximately \$1.17 million (after payment of costs);
- (b) the number of Shares on issue will increase from 188,988,392 to 307,557,688; and
- (c) the number of Options on issue will increase from 29,850,003 to 81,109,601.

This above incorporates the effect of the Company's recent Placement, which raised approximately \$160,500 (before costs) and will result in the issue of 16,050,000 Shares at 1 cent per Share.

3.3 Pro-forma Statement of Financial Position

Set out on the following pages is the Statement of Financial Position of the Company as at 31 December 2013 (audited), and the Pro-Forma Statement of Financial Position as at 31 December 2013 (unaudited) on the basis of the assumptions detailed below. The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the audit reviewed financial report for 12 months ended 30 June 2013.

PRO-FORMA STATEMENT OF FINANCIAL POSITION

| | 31 Dec 2013 (Audited) \$ | Effect of Placement and, Rights Issue Offer \$ | Pro-forma 31 Dec 2013 (Unaudited) \$ |
|--|--------------------------------|--|---|
| Current Assets | | | |
| Cash and cash equivalents | 396,042 | 1,370,692 | 1,766,734 |
| Trade and other receivables | 60,604 | - | 60,604 |
| Total Current Assets | 456,646 | 1,370,692 | 1,827,338 |
| Non-Current Assets | | | |
| Property, plant and equipment | 121,917 | - | 121,917 |
| Financial assets | 855 | - | 855 |
| Exploration and evaluation expenditure | 2,153,466 | - | 2,153,466 |
| Total Non-Current Assets | 2,276,238 | - | 2,276,238 |
| TOTAL ASSETS | 2,732,884 | 1,370,692 | 4,103,576 |
| Current Liabilities | | | |
| Trade and other payables | 366,877 | - | 366,877 |
| Total Current Liabilities | 366,877 | - | 366,877 |
| TOTAL LIABILITIES | 366,877 | - | 366,877 |
| NET ASSETS | 2,366,007 | 1,370,692 | 3,736,699 |
| Equity | | | |
| Contributed equity | 11,585,735 | 1,178,192 | 12,763,927 |
| Reserves | 18,352 | - | 18,352 |
| Accumulated losses | (9,238,080) | 192,500 | (9,045,580) |
| TOTAL EQUITY | 2,366,007 | 1,370,692 | 3,736,699 |

Assumptions and adjustments for Unaudited Pro-Forma Statement of Financial Position

The Pro-Forma Statement of Financial Position has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 31 December 2013 and the close of the Offers other than the following:

- Increase in cash of approximately \$1.17 from the Placement and Rights Issue Offer (after costs).
- The Company issues 16,050,000 Shares at 1 cent per Share pursuant to the Placement.
- The Company issues 102,519,196 New Shares at 1 cent per New Share, pursuant to the Rights Issue Offer.

- Issue of 412,392 Shares to Equity West for part payment of \$7,500 of investor relations services for January, February and March 2014 – issue approved by Shareholders at the Annual General Meeting held on 16 December 2013.
- No existing Options are exercised.
- The sale of all the shares in Entropy Resources SA to Oro Verde Limited for \$200,000 is assumed to have occurred on 31 December 2013.

3.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offers are set out below, assuming the Offers are fully subscribed, and no existing Options are exercised.

| Event | Shares |
|---|-------------------------|
| Shares on issue at the date of this Prospectus | 188,988,392 |
| Shares to be issued under the Placement | 16,050,000 ¹ |
| New Shares to be issued under the Rights Issue Offer | 102,519,196 |
| Cleansing Shares to be issued under the Cleansing Offer | 100 |
| TOTAL ISSUED SHARES | 307,557,688 |

| Event | Options |
|--|-------------------|
| Listed Options exercisable \$0.20 on or before 9 March 2015 on issue at the date of this Prospectus | 24,850,003 |
| Unlisted Options exercisable at \$0.05 on or before 24 December 2016 on issue at the date of this Prospectus | 5,000,000 |
| New Options to be issued under the Rights Issue Offer | 51,259,598 |
| TOTAL ISSUED OPTIONS² | 81,109,601 |

¹ The Company intends to issue the Shares under the Placement prior to the Record Date for the Rights Issue Offer utilising, to the extent available, its Listing Rule 7.1A 10% placement capacity. In the event that the Company cannot issue the Placement Shares under its 10% placement capacity, the Company will issue some of the Placement Shares under its existing Listing Rule 7.1 capacity and it will seek Shareholder approval for the issue of the remainder of the Shares. In the event that not all of the Shares under the Placement are issued prior to the Record Date, the figures in this Prospectus, in particular the number of securities under the Rights Issue Offer will be adjusted accordingly.

² The Company is also intending to issue up to approximately 20,500,000 Broker Options for every \$100,000 worth of New Shares placed by Brokers under the Shortfall. Assuming the placement by the Brokers of the maximum New Shares and New Options available under the Shortfall, the total number of Options on issue following the issue of the Broker Options will be 101,609,601.

4. ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS - RIGHTS ISSUE OFFER

4.1 What you may do

As an Eligible Shareholder, you may, in relation to the Rights Issue Offer:

- subscribe for all of your Entitlement (refer **section 4.2**);
- apply for Additional New Securities (refer **section 4.3**); or
- allow all or part of your Entitlement to lapse (refer **section 4.4**).

4.2 To subscribe for all of your Entitlement

If you wish to subscribe for all of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that form. The Entitlement and Acceptance Form sets out the number of New Shares and New Options you are entitled to subscribe for. The completed Entitlement and Acceptance Form must be accompanied by a cheque or bank draft made payable to “**Argentina Mining Limited - Share Subscription Account**” and crossed “**Not Negotiable**” for the appropriate Application Money in Australian dollars calculated at 1 cent per New Share accepted, and received by the Company at either of the following addresses by no later than 5.00pm (WST) on 13 May 2014. The Company will present the cheque or bank draft on or around the day of receipt of the Entitlement and Acceptance Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Entitlement and Acceptance Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares and New Options you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares and New Options as your cleared Application Money will pay for (and to have specified that number of New Shares and New Options in your Entitlement and Acceptance Form) or your Application may be rejected.

| By hand delivery: | By post: |
|---|--|
| C/- Security Transfer Registrars Pty Limited 770 Canning Highway Applecross WA 6153 | C/- Security Transfer Registrars Pty Limited PO Box 535 Applecross WA 6953 |

Alternatively, if you are paying by BPAY® payment, you do not need to mail the Entitlement and Acceptance Form. Please refer to your personalised instructions on your Entitlement and Acceptance Form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than 2.00pm (WST) on 13 May 2014. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

4.3 To apply for Additional New Securities

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Securities regardless of the size of their present holding. Refer to **section 2.11** if you wish to apply for Additional New Securities.

A single cheque should be used for the Application Money for your Entitlement and the number of Additional New Securities you wish to apply for as stated on the Entitlement and Acceptance Form.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY® must ensure that payment is received by no later than 2.00pm (WST) on 13 May 2014. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

4.4 Entitlements not taken up

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Shares or New Options and your Entitlement will be dealt with in accordance with **section 2.11** and/or **section 2.13** (as applicable).

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

4.5 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares and New Options on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares and New Options. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- agree to be bound by the terms of the Rights Issue Offer;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares and New Options to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares and New options are suitable for you given your investment objectives, financial situation or particular needs; and
- acknowledge that the New Shares and New Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares and New Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

If you have any queries concerning your entitlement or allocation, please contact:

John Arbuckle, Company Secretary - Tel: +61 8 9204 2433

or contact your stockbroker or professional adviser

5. RIGHTS AND LIABILITIES ATTACHING TO NEW SECURITIES

The following is a summary of the more significant rights and liabilities attaching to the New Securities to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

The rights attaching to the New Securities arise from a combination of the Company's Constitution, the Corporations Act, the Listing Rules and general law. A copy of the Company's Constitution is available for inspection free of charge during business hours at its registered office.

5.1 Rights attaching to New Shares and Cleansing Shares

The New Shares and Cleansing Shares to be issued pursuant to this Prospectus are ordinary shares and will as from their allotment rank equally in all respects with all Existing Shares.

A summary of the rights attaching to the New Shares and Cleansing Shares is set out below.

(a) Share capital

The New Shares and Cleansing Shares rank equally in all respects with Existing Shares.

(b) Voting rights

At a general meeting of the Company, every Shareholder present in person, by an attorney, representative or proxy, has one vote on a show of hands and on a poll, one vote for every Share held, and for every partly paid Share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing ordinary Share. Where there is an equality of votes, the chairperson has a casting vote.

(c) Dividend rights

Subject to the rights of holders of Shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend, are divisible among the Shareholders in proportion to the Shares held by them respectively, according to the amount paid up or credited as paid on the Shares.

(d) Rights on winding-up

Subject to the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, all assets which may be legally distributed amongst the members will be distributed in proportion to the Shares held by them irrespective of the amount paid up or credited as paid up on the Share.

(e) Transfer of Shares

Shares may be transferred by instrument in any form which complies with the Company's Constitution, the Corporations Act, Listing Rules and the ASX Settlement Operating Rules. Shares may be transferred in accordance with Listing Rules and the ASX Settlement Operating Rules. The Directors may refuse to register a transfer of Shares only in those circumstances permitted by the Company's Constitution, Listing Rules and the ASX Settlement Operating Rules.

(f) Calls on Shares

Where Shares are issued as partly paid, the Directors may make calls upon the holders of those Shares to pay the whole of or a portion of the balance of the issue price. If a Shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act and Listing Rules, the Shares the subject of the call may be forfeited and interest and expenses may be payable in accordance with the

Company's Constitution, the Corporations Act and Listing Rules or proceedings taken to recover the amount unpaid.

(g) Further increases in capital

The allotment and issue of any new Shares is under the control of the Directors and, subject to any restrictions on the allotment of Shares imposed by the Company's Constitution, Listing Rules or the Corporations Act, the Directors may allot, issue or grant options over or otherwise dispose of those Shares to such persons, with such rights or restrictions as they may from time to time determine.

(h) Variation of rights attaching to Shares

If at any time the issued Shares are divided into different classes, the rights attaching to the Shares of a class (unless otherwise provided by their terms of issue) may only be varied or abrogated with either:

- (i) the consent in writing of the holders of 75% of the issue Shares of the class affected; or
- (ii) the sanction of a special resolution passed at a separate meeting of the holders of Shares of that class.

The rights attached to a class of Shares are not taken to be varied by the issue of further Shares of that class on identical terms, unless the terms of issue of that class of Shares expressly provide otherwise.

(i) General meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

5.2 Rights attaching to New Options and Broker Options

The New Options and Broker Options (in this **section 5.2**, each a **New Argentina Option**) issued pursuant to this Prospectus will be issued on the following terms and conditions:

- (a) Each New Argentina Option will entitle the holder to subscribe for one fully Share.
- (b) Each New Argentina Option will expire at 5.00pm (WST) on 24 December 2016 (**Expiry Date**). A New Argentina Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The New Argentina Options are exercisable in whole or in part at a price of 5 cents per Option (**Exercise Price**) by completing and delivering a duly completed form of notice of exercise to the registered office of the Company together with the payment of the Exercise Price in immediately available funds for the number of Shares in respect of which the New Argentina Options are exercised.
- (d) All Shares issued upon the exercise of the New Argentina Options will rank equally in all respects with the Company's then existing Shares.
- (e) Application will be made to ASX for Official Quotation of the New Argentina Options.
- (f) Application will be made to ASX for official quotation by ASX of all Shares allotted pursuant to the exercise of New Argentina Options within the time period required by the Listing Rules after the date of allotment.
- (g) The holders of New Argentina Options may only participate in new issues of securities as holders of Shares if a New Argentina Option has been exercised and Shares have been allotted in respect of the New Argentina Option before the record date for determining entitlements to the issue. The Company must give notice to the holder of the New Argentina Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules or any waiver from the Listing Rules provided to the Company by ASX.

- (h) There will be no change to the exercise price of a New Argentina Option or the number of Shares over which a New Argentina Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a Bonus Issue).
- (i) If, from time to time, before the expiry of the New Argentina Options, the Company makes a pro rata issue of Shares to Shareholders for no consideration (**Bonus Issue**), the number of Shares over which a New Argentina Option is exercisable will be increased by the number of Shares which the holder would have received if the New Argentina Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class at the date of issue of the Bonus Shares.
- (j) If, prior to the expiry of any New Argentina Options, there is a reorganisation of the issued capital of the Company, the New Argentina Options will be reorganised in the manner set out in and to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (k) Shares allotted and issued pursuant to the exercise of the New Argentina Options will be allotted and issued, and a holding statement provided to the holders of New Argentina Options in respect of those Shares, on the above terms and conditions not more than 15 business days after the receipt of a duly executed form of notice of exercise and the Exercise Price in immediately available funds in respect of the New Argentina Options exercised.

6. RISK FACTORS

6.1 Overview

- (a) The New Securities offered under this Prospectus are considered speculative. An investment in our Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, and to consult their professional advisers, before deciding whether to apply for New Securities pursuant to this Prospectus.
- (b) There are specific risks which relate directly to our business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.
- (c) The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company Specific Risks

- (a) Drilling at Mabale Hills – Contract risk

A portion of the proposed drilling at Mabale Hills is contingent on the Company negotiating and entering into access and/or acquisition arrangements in respect of a minimum of two Primary Mining Licences (PMLs) held by third parties. There can be no guarantee that these negotiations will proceed or that any such arrangements can be negotiated on terms favourable to the Company. Any failure to enter into such arrangements will impact the Company's ability to conduct its proposed drilling at Mabale Hills.

- (b) General risks associated with operating in Argentina and Tanzania

As a result of operating in Argentina and Tanzania, the Company will be subject to the risks associated with operating in such countries. Such risks can include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations.

Changes to mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

- (c) Legal environment

The Argentinean and Tanzanian legal systems are less developed than more established countries and this could result in the following risks:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (ii) a higher degree of discretion held by various government officials or agencies;
- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and court in matters affecting the Company.

(d) Sovereign risk – Tanzania

Tanzania is considered to be a developing country and as such is subject to emerging legal and political systems, when compared with the systems in place in Australia.

Possible sovereign risks include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

No assurance can be given regarding the future stability of Tanzania.

(e) Sovereign risk – Argentina

The political conditions under which the Company currently operates in Argentina are stable compared to many areas of the world, but arguably are not as stable as those prevailing in Australia. Potential risk to the Company's activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's interests in Argentina. This may also include changes in exchange control regulations, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

(f) Operating risks

There can be no assurance that the Company's intended goals will lead to successful exploration, mining and/or production operations. Further, no assurance can be given that the Company will be able to initiate or sustain minerals production, or that future operations will achieve commercial viability.

When additional exploration is undertaken and if a JORC compliant resource or reserve is not defined, then it may have a negative impact on the Company.

Future operations of the Company may be affected by various factors including:

- (i) geological and hydrogeological conditions;
- (ii) limitations on activities due to seasonal weather patterns and monsoon activity;
- (iii) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (iv) electrical and/or mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (v) equipment failure, fires, spills or industrial and environmental accidents;
- (vi) unavailability of aircraft or equipment to undertake airborne surveys and other geological and geophysical investigations;
- (vii) risk that exploration, appraisal, development, plant or operating costs prove to be greater than expected or that the proposed timing of exploration, development or production may not be achieved;
- (viii) failure to achieve exploration success;
- (ix) the supply and cost of skilled labour;
- (x) unexpected shortages or increases in the costs of consumables, diesel fuel, spare parts, plant and equipment; and
- (xi) prevention and restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals.

No assurances can be given that the Company's operations will achieve commercial viability through successful exploration and/or mining.

(g) Exploration and operating costs

The proposed exploration expenditure of the Company is based on certain assumptions with respect to the method and timing of exploration and feasibility work. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice.

(h) Title risk

The licences and other mining claims in which the Company will, or may acquire an interest in the future are subject to the applicable local laws and regulations.

Claims in which the Company has an interest are subject to the relevant conditions applying in each jurisdiction. Failure to comply with these conditions may render the claims or licenses liable for forfeiture.

The licences and other mining claims will be subject to application for claim renewal from time to time. Renewal of the term of each claim is subject to applicable legislation. If the claim is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that claim.

(i) Contractual risks

The ability of the Company to achieve its objectives will depend on the performance by the counterparties to any agreements that the Company may enter into. If any counterparty defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly. Furthermore, certain contracts to which the Company is a party may be governed by laws of jurisdictions outside Australia. There is a risk that the Company may not be able to seek the legal redress that it could expect under Australian law and generally there can be no guarantee that a legal remedy will ultimately be granted on the appropriate terms.

(j) Commodity prices

Increases in commodity prices may encourage increases in exploration, development and construction activities, which can result in increased demand for, and cost of, exploration, development and construction services and equipment. Increased demand for services and equipment could cause exploration and project costs to increase materially, resulting in delays if services cannot be obtained in a timely manner due to inadequate availability, and could increase potential scheduling difficulties and costs due to the need to co-ordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs or result in project delays or both. Any such material increase in costs would adversely affect the Company's financial condition.

(k) Health, safety and the environment

The conduct of business in the resources sector involves a variety of risks to the health and safety of personnel and to the environment. It is conceivable that an incident may occur which might negatively impact on the Company's business.

(l) Compliance risk

Title to a mining claim may be subject to the holder complying with the terms and conditions of the claim, including any minimum annual expenditure commitments. There is a risk that if the holder does not comply with the terms and conditions of each claim, it may lose its relevant interest.

(m) Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to

some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(n) Environmental risks

The proposed activities of the Company are subject to the laws of Tanzania and Argentina and regulations concerning the environment. As with most exploration projects, the Company's activities are expected to have an impact on the environment, particularly during advanced exploration and future mining activities. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(o) International operations

International sales and operations are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

(p) Commodity price volatility and exchange rate risks

If the Company achieves exploration success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate fluctuations and risks.

Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold and other commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities (including gold) are denominated in United States dollars, whereas the expenditure of the Company is and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

In the future, a significant proportion of the Company's revenues, cash inflows, other expenses, capital expenditure and the commitments may be denominated in foreign currencies.

To comply with Australian reporting requirements the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

Furthermore, at this stage the Company has decided to not put in place any hedges in relation to foreign exchange. This may result in the Company being exposed to exchange rate risk, which may have an adverse impact on the profitability and/or financial position of the Company.

6.3 General Risks

(a) General economic climate

The Company's future can be affected by factors beyond its control such as supply and demand for its goods and services, and general economic conditions.

(b) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company and its controlled entities depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these senior management, key personnel or employees cease their involvement or employment with the Company or its controlled entities.

(c) Additional requirements for capital

The continued operations of the Company are dependent on its ability to obtain financing through debt and equity financing or generating sufficient cash flows from future operations. There is a risk that the Company may not be able to access capital from debt or equity market for future projects or developments, which could have a material adverse impact on the Company's business and financial condition.

(d) Insurance risks

The Company maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(e) Market risk and interest rate volatility

From time to time, the Company may borrow money and accordingly will be subject to interest rates which may be fixed or floating. A change in interest rates would be expected to result in a change in the interest rate to the Company and, hence, may affect its profit.

(f) Competition

There is a risk that the Company will not be able to continue to compete in the competitive industry in which it operates. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

(g) Share market

There are general risks associated with an investment and the share market. The price of the Company's securities on the ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

(h) Liquidity risk

There is no guarantee that there will be an ongoing liquid market for the Company's securities. Accordingly, there is a risk that, should the market for the Company's securities become illiquid, Shareholders will be unable to realise their investment in the Company.

(i) Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111 AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Securities which will be issued pursuant to this Prospectus are in the same class as, or are options to acquire, Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or options to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Securities on the Company and the rights attaching to the New Securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the closing date of the Rights Issue Offer:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2013 being the most recent annual financial report of the Company lodged with the ASIC;
 - (ii) the half year report of the Company for the half year ended 31 December 2013 being the half year report of the Company lodged with ASIC after the lodgment of the annual financial report in (i) above and before the lodgment of this Prospectus; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgment of the annual financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the annual financial report for the financial year ended 30 June 2013:

| Date | Description of Announcement |
|------------------|--|
| 16 April 2014 | Due Diligence Period Extended For Oro Verde |
| 16 April 2014 | Appendix 3B |
| 16 April 2014 | OVL: Due Diligence Period Extended |
| 1 April 2014 | Binding Heads of Agreement Signed To Sell Argentine Assets |
| 1 April 2014 | OVL: Oro Verde Signs Binding Agreement |
| 25 March 2014 | Reinstatement to Official Quotation - 26.03.14 |
| 25 March 2014 | Half Yearly Report and Accounts |
| 25 March 2014 | Response to ASX query |
| 19 March 2014 | Oro Verde Acquires Option Over Argentina Projects |
| 17 March 2014 | Suspension from Official Quotation |
| 4 March 2014 | Becoming a substantial holder |
| 4 March 2014 | Ceasing to be a substantial holder |
| 13 February 2014 | Appendix 3B |
| 13 February 2014 | Change in substantial holding |
| 3 February 2014 | Quarterly Activities Report |
| 3 February 2014 | Quarterly Cashflow Report |
| 3 January 2014 | Simber Merger Clarification Statement |
| 31 December 2013 | Initial Director's Interest Notice |
| 31 December 2013 | Initial Director's Interest Notice |
| 31 December 2013 | Section 708A Notice |
| 31 December 2013 | Appendix 3B |
| 31 December 2013 | Argentina Mining Completes Merger With Simba Minerals Ltd |
| 16 December 2013 | Results of Annual General Meeting |
| 28 November 2013 | ASX Grants Waiver From Listing Rule 7.3.2 |
| 15 November 2013 | Notice of Annual General Meeting/Proxy Form |
| 1 November 2013 | Extension of Time to Hold Annual General Meeting |

| | |
|-----------------|---|
| 31 October 2013 | Quarterly Cashflow Report |
| 31 October 2013 | Quarterly Activities Report |
| 17 October 2013 | Argentina Mining Ltd to Merge With Simba Minerals Ltd |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

7.2 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Issue New Securities pursuant to this Prospectus; or
- (c) the Issue of New Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Issue of New Securities pursuant to this Prospectus.

Directors' direct and indirect interests in securities of the Company at the date of this Prospectus are:

| Name | Securities |
|--------------------------|---|
| Douglas Bright | 826,667 Shares 450,000 listed Options exercisable at \$0.20 on or before 9 March 2015 |
| Eduardo Videla | 10,845,001 Shares 2,000,000 listed Options exercisable at \$0.20 on or before 9 March 2015 |
| Tim Kennedy ³ | 23,379,109 Shares 5,952,650 listed Options exercisable at \$0.20 on or before 9 March 2015 5,000,000 unlisted Options exercisable at \$0.05 on or before 24 December 2016 |
| Allen Lafferty | 7,152,502 Shares |
| John Stockley | 9,547,502 Shares |

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive Directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Non-executive Directors and in default of agreement then in equal shares.

In the two years preceding lodgement of this Prospectus, approximately \$296,479 (excluding GST where applicable) has been paid by the Company by way of remuneration

³ Note: A majority of these securities are held by Independence Group NL of which Mr Tim Kennedy is an employee.

for services provided by all Directors, companies associated with the Directors or their associates in their capacity as Directors, employees, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.3 Interests and Consents of Experts and Advisers

Allion Legal, in its capacity as solicitors to the Company have given (and not before the date of this document withdrawn) their consent to be named in this document in the form and context in which they are named.

Allion Legal has not:

- authorised or caused the issue of this Prospectus;
- made any express or implied representation or warranty in relation to the Company, this Prospectus or the Offers;
- made, or purported to have made, any statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this section; or
- assumed the responsibility for any part of this Prospectus except as set out in this section and to the maximum extent permitted by law, expressly disclaims responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the offer of securities pursuant to this Prospectus; or
- the offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of securities pursuant to this Prospectus.

Allion Legal is entitled to be paid \$12,500 for advice and assistance in relation to certain aspects of this Prospectus, and in relation to application for quotation of the New Securities on ASX.

Allion Legal has been paid \$79,045 (exclusive of GST) for the provision of professional services to the Company in the two years prior to the date of this Prospectus.

References to Deloitte Touche Tohmatsu appear for information purposes only. Deloitte Touche Tohmatsu has not been involved in, authorised or caused the issue of this Prospectus.

References to Security Transfer Registrars Pty Limited appear for information purposes only. Security Transfer Registrars Pty Limited has not been involved in, authorised or caused the issue of this Prospectus.

7.4 Estimated Expenses of Offers

The estimated expenses of the Offers are approximately \$15,000 including fees payable for, legal, ASIC, ASX and printing costs.

7.5 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.6 Privacy Act

If you complete an application for New Securities, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your New Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules. You should note that if you do not provide the information required on the application for securities, the Company may not be able to accept or process your application.

7.7 Directors' Consent

Each Director has consented to the lodgement of this Prospectus with the ASIC.

Signed on behalf of the Directors pursuant to a resolution of the Board.



Douglas Bright
Chairman

Argentina Mining Limited

8. CORPORATE DIRECTORY

Directors

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

Share Registry*

Security Transfer Registrars Pty
Limited
770 Canning Highway
Applecross WA 6153

Company Secretary

John Arbuckle

Solicitors

Allion Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Auditors*

Deloitte Touche Tohmatsu
Level 14, Woodsize Plaza
240 St Georges Terrace
Perth WA 6000

ASX Code: AVK & AVKO

ABN: 45 141 940 230

Registered Office

Unit 6, 25 Walters Drive
Herdsman Business Park
Osbourne Park, WA 6017

Telephone: +61 8 9204 2433
Facsimile: +61 8 9244 7273
Email: info@argentinamining.com.au
Website: www.argentinamining.com.au

*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in the Prospectus. Its name is included for information purposes only.

9. GLOSSARY

\$ and **dollars** means Australian dollars, unless otherwise stated.

Additional New Securities means New Shares and New Options in addition to an Eligible Shareholder's Entitlement for which an applicant makes an Application.

Application means an application for New Shares and New Options under the Rights Issue Offer pursuant to the Entitlement and Acceptance Form.

Application Money means the money received from Eligible Shareholders in respect of their Application.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the market operated by that entity, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX Settlement Operating Rules means the settlement operating rules of ASX Settlement.

Board means the board of Directors.

Brokers means any brokers engaged by the Company to assist in placing the Shortfall Securities.

Broker Offer means an offer of up to 20,500,000 Broker Options to the Brokers.

Broker Option means an Option exercisable at 5 cents on or before 24 December 2016, to be issued under this Prospectus under the Broker Offer.

CHESS means ASX Clearing House Electronic Sub-register System.

Cleansing Offer means the offer to selected investors of 100 Cleansing Shares at an issue price of 1 cent per Cleansing Share to raise \$1 before issue costs.

Cleansing Share means a fully paid ordinary share in the capital of the Company to be issued pursuant to the Cleansing Offer.

Company or **Argentina** means Argentina Mining Limited (ABN 45 141 940 230).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means directors of the Company at the date of this Prospectus and **Directors** has a corresponding meaning.

Eligible Shareholders means a Shareholder as at the Record Date other than a Non-qualifying Foreign Shareholder.

Entitlement means a Shareholder's entitlement to subscribe for New Shares and New Options offered by this Prospectus.

Entitlement and Acceptance Form means the entitlement and acceptance form attached to or accompanying this Prospectus.

Equity West means Equity West Securities Pty Ltd.

Existing Share means a fully paid ordinary share in the capital of the Company on issue as at the Record Date.

JORC means the Australasian Joint Ore Reserves Committee.

Listing Rules or **ASX Listing Rules** means the official listing rules of the ASX.

New Option means an Option exercisable at 5 cents on or before 24 December 2016, to be issued under this Prospectus on the basis of one New Option for every two New Shares subscribed for and issued under the Rights Issue Offer.

New Securities means the New Shares, New Options, Broker Options, and Cleansing Shares to be issued pursuant to this Prospectus.

New Share means a fully paid ordinary share in the capital of the Company to be issued pursuant to the Rights Issue Offer.

Non-qualifying Foreign Shareholders means a Shareholder whose registered address is not situated in Australia or New Zealand.

Offers means the Rights Issue Offer, Broker Offer and Cleansing Offer.

Official Quotation means official quotation on ASX.

Option means an option to subscribe for a Share.

Placement means the placement to institutional and sophisticated investors to raise approximately \$160,500 by the issue of 16,050,000 Shares at a price of 1 cent per Share announced to ASX on 17 April 2014.

Prospectus means the prospectus constituted by this document.

Record Date means 5.00pm (WST) on 29 April 2014.

Rights Issue Offer means the offer to Eligible Shareholders of up to approximately 102,519,196 New Shares at an issue price of 1 cent per New Share on the basis of one (1) New Share for every two (2) Existing Shares held at the Record Date, and 51,259,598 free attaching New Options on the basis of one (1) free attaching New Option for every two (2) New Shares subscribed for and issued to raise up to approximately \$1,025,192 before costs.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Shortfall will occur if the Company does not hold successful valid Applications for all the New Shares and New Options offered by the Company pursuant to the Rights Issue Offer under this Prospectus by the closing date for the Rights Issue Offer, being 13 May 2014.

Shortfall Securities means New Shares and New Options for which successful valid Applications have not been received by the closing date for the Rights Issue Offer, being 9 May 2014.

US person has the meaning given to that term in Regulation S under the US Securities Act.

US Securities Act means the United States Securities Act of 1933, as amended.

WST means Australian Western Standard Time.