

30 April 2014

ASX ANNOUNCEMENT

March 2014 Quarter Activity Report

ARGENTINA MINING SIGNS HEADS OF AGREEMENT FOR SALE OF ARGENTINE SUBSIDIARY & ANNOUNCES PLACEMENT & RIGHTS ISSUE TO RAISE \$1.18M

HIGHLIGHTS

- Prospectus released and announced to ASX 17 April 2014 for \$1.18M Placement & Rights Issue
- Argentina Mining signs Heads of Agreement with Oro Verde Limited for sale of Argentine subsidiary, Entropy Resources S.A.
- Oro Verde Due Diligence in progress on acquisition of Argentine subsidiary.

CORPORATE

Capital Raising

On 17 April 2014, **Argentina Mining Limited (ASX:AVK) (Company)** announced a Capital Raising to raise approximately \$1.18M via:

- a placement to institutional and sophisticated investors to raise approximately \$160,500 (before costs) (**Placement**); and
- a 1 for 2 non-renounceable rights issue at 1 cent per share with 1 free attaching option (**New Option**) for every two (2) New Shares subscribed for and issued, exercisable at 5 cents on or before 24 December 2016.

The New Shares will rank equally in all respects with the Company's existing shares. The Company will apply to the ASX for quotation of the New Shares and New Options.

The Company lodged a prospectus with the Australian Securities and Investments Commission (**Prospectus**) on 17 April 2014 which sets out the material information relating to the Rights Issue. The Prospectus also contains:

- an offer of options to brokers who are involved in the placement of the shortfall under the Rights Issue (**Broker Offer**); and
- a cleansing offer to facilitate secondary trading of shares to be issued under the Placement (**Cleansing Offer**).

The Broker Offer and Cleansing Offer are not open to the public.

Full details may be found in the ASX 17 April 2014 announcement and the Prospectus lodged with ASX on the same day.

The monies raised from the capital raising will be used to fund exploration activities in Tanzania as well as ongoing working capital requirements.

Sale of Argentine Subsidiary Entropy Resources S.A.

The Company was pleased to announce on 1 April 2014 that it had entered into a binding Heads of Agreement (**Heads of Agreement**) in relation to the sale of its Argentine assets to Australian-based Chilean explorer **Oro Verde Limited (ASX:OVL)**.

This announcement followed the Company's 19 March 2014 announcement to ASX that it had signed a non-binding Memorandum of Understanding in relation to the Transaction.

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

Oro Verde is currently fully engaged in the Due Diligence process, with Chilean legal representative visiting the Company's San Juan offices in Argentina.

Further details of the Heads of Agreement with OVL are available in the 1 April 2014 announcement to ASX.

Cost reductions

In light of current market conditions and limited funding, the Company has continued to have only the directors and key consultants working for the Company in Australia, Argentina and Tanzania, on greatly reduced salaries and fees. All non-essential costs have been reduced as far as possible or terminated.

EXPLORATION

Argentina

In order to conserve funds, no exploration activity was undertaken by the Company in Argentina during the March 2014 Quarter other than to maintain title to the exploration properties. A ten day field inspection of the Argentine properties was undertaken by AVK Directors at the end of January 2014, in which the Cerro Blanco, San Francisco and Amiches Projects were visited. The purpose of the visit was to familiarise incoming directors with the Argentine operations and to assist with developing an overall strategy regarding all of the Company's assets.

Tanzania

No exploration activity was undertaken in Tanzania during the March 2014 Quarter other than to maintain title to the exploration properties. Following the completion of the Oro Verde Sale Transaction referred to above, the Company intends to focus on its remaining two project areas at Singida and Geita, south of Lake Victoria in the prospective Archaean Tanzanian Craton.

The projects lie within 20km of a number of major gold projects including African Barrick's 17Moz Bulyanhulu, the 12Moz Geita, 4.4Moz Buzwagi, 0.9Moz Londoni and 0.68Moz Golden Ridge Gold Mines and several other significant gold projects in development.

Geologically-related work during the Quarter was undertaken and is continuing to rationalize and secure tenure, redraft and reinterpret geochemical plots, prioritize gold anomalous areas and examine appropriate application of geophysics to assist with target definition, prior to planning drilling campaigns in both project areas to test priority anomalies.

==== END ====

For further information, please contact:

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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 Argentina Mining Limited; and Mr John Stockley, a Fellow of the Australasian Institute of Mining and Metallurgy, and a Director of Argentina Mining Limited.

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.

Tenement directory

Project	Tenement number	Beneficial interest
Tanzania		
Singida	PL5367/2008	99.95%
Singida	PL6870/2010	99.95%
Singida	PL7145/2011	99.95%
Singida	PL7246/2011	99.95%
Singida	PL7296/2011	99.95%
Singida	PL7344/2011	99.95%
Singida	PL7389/2011	99.95%
Singida	PL7405/2011	99.95%
Singida	PL7644/2012	99.95%
Singida	PL8208/2012	99.95%
Singida	PL8211/2012	99.95%
Singida	PL9293/2013	99.95%
Geita	PL8293/2013	99.95%
Geita	PL9099/2013	99.95%
Geita	HQ-P23978	Application
Geita	PL3844/2005	Transfer to Kudu Resources Ltd pending
Geita	PL4496/2007	Transfer to Kudu Resources Ltd pending
Geita	PL4584/2007	Transfer to Kudu Resources Ltd pending
Geita	PL6659/2010	Transfer to Kudu Resources Ltd pending
Geita	PL9250/2014	Granted (99.95%)
Geita	HQ-P22175	Application
Geita	HQ-P19753	Application
Geita	HQ-P22908	Application
Geita	HQ-P27874	Application
Kahama	PL7343/2011	99.95%

Note: Kudu Resources is a 99.95% subsidiary of Simba Minerals Limited, and these tenements were acquired from Currie Rose Inc. in the second half of 2013.

Argentina

Cerro Blanco	Leon I-546-700-B-94	Option over tenement
Cerro Blanco	Leon II-546-701-B-94	Option over tenement
Cerro Blanco	Leon III-546-702-B-94	Option over tenement
Cerro Blanco	Leon IV-546-703-B-94	Option over tenement
Cerro Blanco	Leon V-546-704-B-94	Option over tenement
Cerro Blanco	Serafina II-1413-F18-95	Option over tenement
Cerro Blanco	Cateo 1124030-B-08	Option over tenement

Tenement directory

Project	Tenement number	Beneficial interest
Argentina (continued)		
Amiches	Oro 1-305-575-B-88	Option over tenement
Amiches	Bocha 1-546-633-R-94	Option over tenement
Amiches	Amiches 2-546-636-R-94	Option over tenement
Amiches	Amiches 3-546-637-R-94	Option over tenement
Amiches	Amiches 11- 0240-F18-95	Option over tenement
Amiches	Oro 4-305-578-R-88	Option over tenement
Amiches	Lita-242-119-B-87	Option over tenement
Amiches	Agua Blanca I-0760-F28-96	Option over tenement
Amiches	Agua Blanca II-0761-F28-96	Option over tenement
Amiches	Amarilla-338-783-B-92	Option over tenement
Amiches	Amarilla II-0961-A-96	Option over tenement
Amiches	Don Carlos-27-B-49	Option over tenement
San Francisco	Las Lenas-54618-B-94	Option over tenement
San Francisco	Ninas Muertas-545-690-B-94	Option over tenement
San Francisco	San Francisco-339-183-B-92	Option over tenement
San Francisco	San Francisco 7-0716-F28-B-96	Option over tenement
San Francisco	San Francisco 5-1783-F18-B-95	Option over tenement
San Francisco	Mal Paso-338-897-B-93	Option over tenement
San Francisco	San Francisco 8-1001-F28-B-96	Option over tenement
San Francisco	San Francisco 10-520-0269-B-97	Option over tenement
San Francisco	San Francisquito-0462-F18-95	Option over tenement
San Francisco	San Francisco 3-0460-F18-95	Option over tenement
San Francisco	San Francisco 9-0717-F28-B-96	Option over tenement
San Francisco	San Francisco 4-0461-F18-B-96	Option over tenement

Note: all details relating to the Argentina tenements are contained in the Company's 2013 Annual Report