Suite 304, 22 St Kilda Road St Kilda Vic 3182
Ph: +61 3 9692 7222; Fax: +61 3 9529 8057

For Immediate Release
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SECOND DRILL HOLE IHAD2 INTERSECTS MINERALIZED TAPLEY HILL FORMATION AND MINERALIZED BASEMENT "IRON FORMATION"

Argo Exploration Ltd (ASX Code 'AXT') advises that its second diamond drill hole, IHAD2 (Figure 1), at Intercept Hill has been completed to a depth of 1158.8 meters having intersected base metal-mineralized Tapley Hill Formation and copper/copper-iron sulphide-mineralized basement "iron formation".

IHAD2 was designed to test:

- The postulated extension of mineralized Tapley Hill Formation, host to the neighboring Emmie Bluff inferred mineral resource immediately to the south, into EL3084. The Emmie Bluff inferred resource, of ~25 million tons at 2.02% copper equivalent, occurs at a depth of ~400 meters within 'black' dolomitic shale of the Tapley Hill Formation; and
- Postulated Olympic Dam-style iron oxide copper-gold-uranium mineralization being the cause of a north west-trending residual gravity element (Figure 1).

The completed hole IHAD2 confirmed that:

- base-metal mineralized Tapley Hill Formation extends into EL3084 and opens up the prospectivity of the Exploration Licence to the development of significant syngenetic base metal accumulations of Century-style; and
- the residual gravity response, associated with a partially coincident magnetic high, can be attributed, at least in part, to variably brecciated, bornite-, chalcocite-, covellite-, chalcopyrite-and pyrite-mineralized basement "iron formation".

Both mineralized intervals have been split and dispatched for analysis.

Tapley Hill Formation Mineralized Interval

Mineralized Tapley Hill Formation was intersected between 393.6 and 409.37 meters. A representative example is shown in Figure 2. The interval consists of conformable bands containing ultra fine-grained colorless sphalerite (zinc sulphide), galena (lead sulphide)

and chalcopyrite (copper-iron sulphide) – pyrite (iron sulphide) appears to be absent using a 20X lens – interbedded with dolomitic black shale beds; intra-formational disruption of beds is common. Overall, the sulphide mineralization appears to be stratabound while local intra-bed chalcopyrite occurs as stringers normal to bedding strongly suggestive of compaction remobilization. Occasional coarser splashes of colorless sphalerite and galena are present overprinting the rock fabric.

The general ultra-fine grain size precludes macroscopic assessment of the likely per cent abundances of the respective sulphide phases.

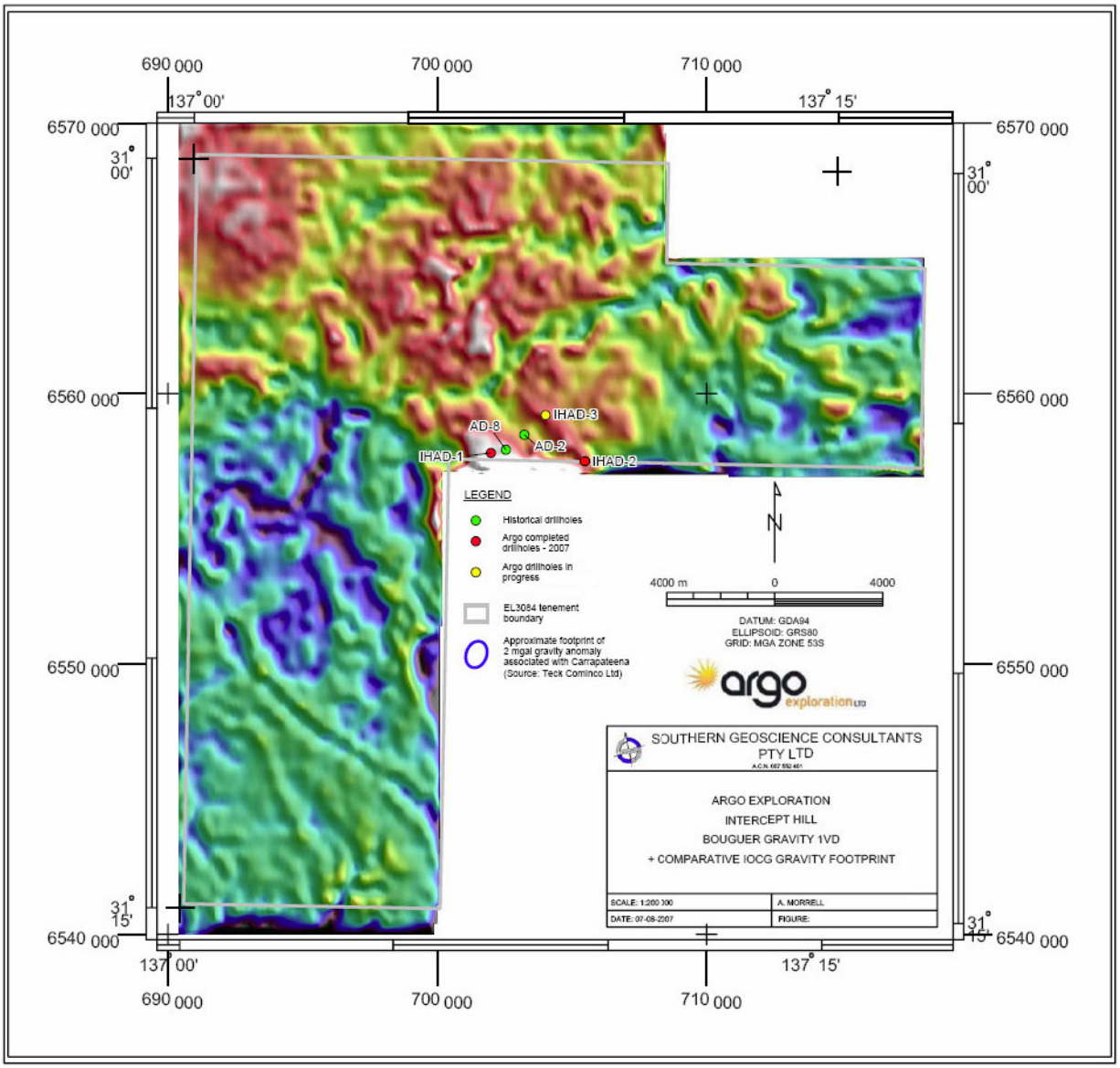

Figure 1: Bouguer gravity image, First Vertical Derivative, North-East shadowing showing position of drill holes in relation to residual gravity elements.

Figure 2: Mineralized Tapley Hill Formation illustrating conformable laminae of ultra-fine base metal sulphides in a dolomitic black shale host.

Mineralized Basement "iron formation" Interval

Pre-Pandurra Formation basement was intersected at 815.73 meters and was followed, to a depth of 967 meters, by "intercalated" granitic rocks, chloritized mafic volcanics and/or tuffs and/or chloritized sediments of possible "iron formation" affinity. The granitic lithologies are extensively gash veined by cockscomb textured quartz with associated hematite and commonly average 1 significant vein per meter. Micro-fractures and veins of chlorite and specular hematite occur throughout. The whole interval to 960 meters is strongly oxidized with the gash veins interpreted to have been copper-iron sulphide mineralized prior to their oxidation.

At 960 meters depth, the copper and copper-iron sulphides, bornite, chalcocite, covellite and chalcopyrite appear in association with abundant specular hematite which passes down hole to chalcopyrite and pyrite from 967 to 1058.6 meters giving a total sulphide mineralized interval of 98.6 meters. This sulphide mineralized interval is variably to strongly brecciated and is interpreted to be a mineralized "iron formation" reflected by intercalated "iron silicate", mixed "iron silicate/oxide" and massive magnetite layers; the contained magnetite has been partially altered to hematite and overprinted by later

generation hematite, chlorite, quartz and sulphides. An example of mineralized, partly hematite-altered, brecciated massive magnetite is illustrated in Figure 3.

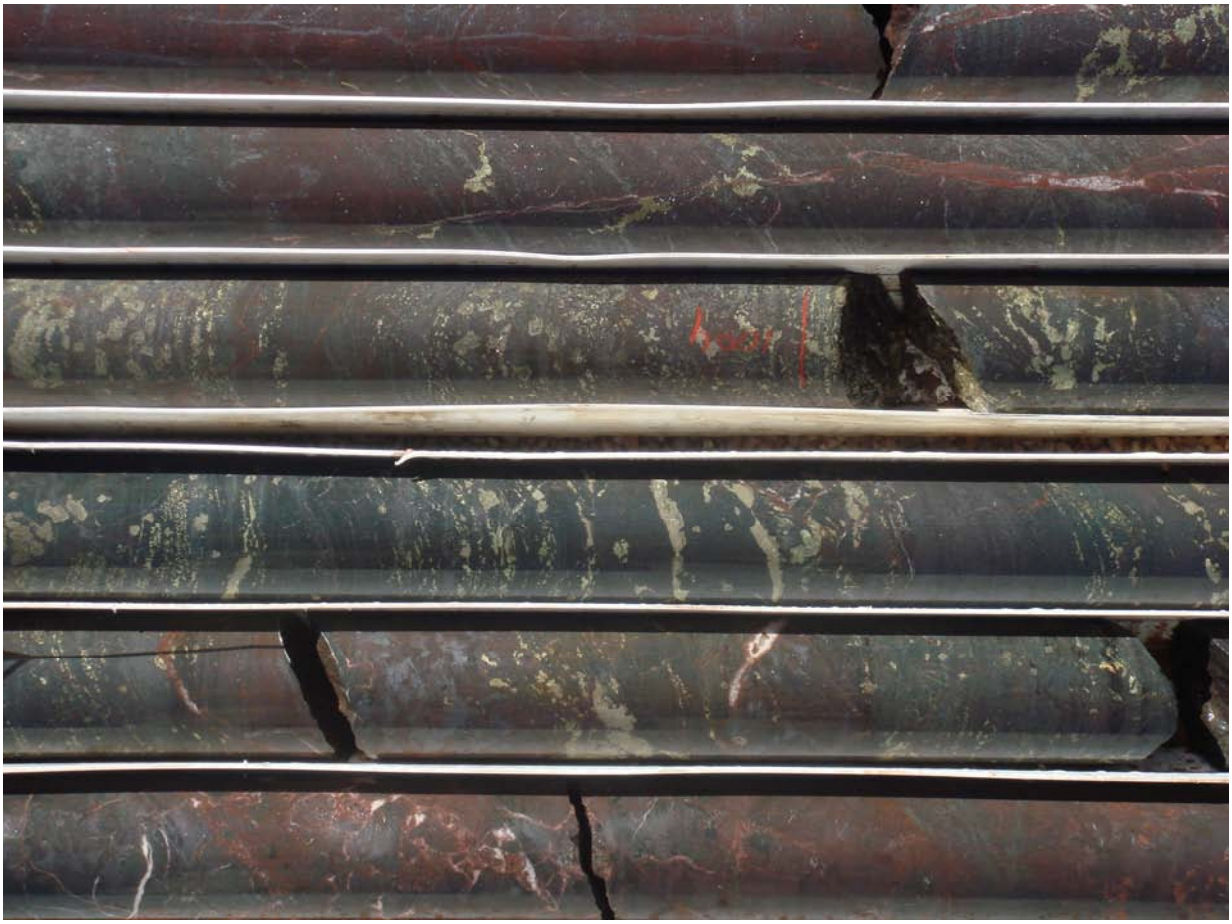

Figure 3: Brecciated and veined, partly hematite-altered chalcopyrite-pyrite mineralized magnetite "iron formation".

Footwall to the mineralized basement interval to end of hole is composed of intercalated "red" micro-granites, granites, pegmatoids and probable fragmental equivalents, dense black "siltstone", (?) carbonaceous mudstone, dark green and dark grey chloritic siltstones/tuffs; the hole finished in granitic pegmatoid. The footwall sequence is generally lightly crackled, but not noticeably disaggregated, with associated minor veining. The crackles and veinlets are in-filled with earthy and/or specular hematite and chlorite with and without chalcopyrite.

Diamond drill hole IHAD3 has now been completed to 1058 meters and will be reported when logging is finalized.

Overview of Drill Results to Date

Drill results to date are particularly encouraging having validated geophysical signatures as being directly correlated with modeled areas of strong brecciation, accompanying iron oxide and/or iron oxide alteration and mineralization. The Company has defined many quality geophysical targets warranting drill testing within EL3084 and these will be progressively assessed as Native Title clearances are progressively obtained.

IHAD1 confirmed the presence of a modeled plume of overprinting hematite alteration, accompanied by brecciation, penetrating the Pandurra Formation to about 500 meters depth with strong development of iron oxide altered heterolithic breccias in the underlying pre-Pandurra Formation basement; these latter breccias contain trace bornite and minor chalcopyrite-pyrite mineralization at depth and indicate proximity to a major structurally perturbed zone within the basement. Drill hole IHAD4 is sited to test the inferred position of the basement piercing "feeder" fault system responsible for brecciation, alteration and mineralization in IHAD1.

Hole IHAD2 confirmed the presence of base metal-mineralized Tapley Hill Formation at about 400 meters depth. The Tapley Hill Formation hosts the ~25Mt Emmie Bluff inferred copper resource bordering EL3084 and its mineralized extension into the Company's Exploration Licence emphasizes the exploration potential for delineation of a Century-style base metal resource.

As well, IHAD2 confirmed the source, at least in part, of the targeted north west-trending residual gravity "ridge" as possibly being a "flat-lying" copper mineralized "iron formation". The latter, while strongly brecciated, appears to have acted as a porous host for ingress of mineralizing fluids and accompanying hematite overprinting. The footwall rocks are only mildly crackled without accompanying disruption and so may be interpreted to be distal to the mineralizing basement feeder "faults". Inferred copper mineralization within the hanging wall of the mineralized basement "iron formation" is interpreted to have been leached, without supergene enrichment, during a pre-Pandurra Formation weathering event along with copper from the upper parts of the "iron formation".

Drill hole IHAD3 has been sited on the same north west-trending residual gravity feature tested by hole IHAD2 to evaluate an equivalent gravity response but without a corresponding elevated magnetic signature. IHAD3 has intersected an interval of massive, porous, quartz-veined hematite validating the geophysical model.

The Company looks forward to further positive drill results with future drilling being aimed at delineating "vertically disposed" tabular iron oxide-rich features and/or breccia columns.

Dr Hugh K Herbert
Managing Director

Ph: +61 7 4636 2788; Fax: +61 7 4635 6867 (Direct)
Mobile: 0412 367 937
E-mail: hugh.herbert@argoexploration.com.au

The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr J I Stewart, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Stewart has sufficient experience which is relevant to the styles of mineralization and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stewart consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.