



28th September 2007

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## **ASX RELEASE**

### **ARGO TO EXPAND DRILL PROGRAM AT INTERCEPT HILL WITH \$A3.24M SHARE PLACEMENT**

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Argo Exploration is pleased to announce that, due to very encouraging results from its first 3 drill holes, designed to test for IOCG Mineralization at Intercept Hill, South Australia ~ 70kms south of BHP Billiton's Olympic Dam Operation and 25km west of the new Carrapateena IOCG discovery, the company intends, once Native Title clearances for the drill sites have been obtained, to expand its drilling program with a second campaign to include a further minimum 9 drill holes to test several high quality targets.

The current program of four holes has provided significant observational evidence strongly suggestive of proximity to a possible "centre of IOCG mineralization". All three completed holes exhibit extensive structural preparation, vertically telescoped alteration and, in hole IHAD2, encouraging mineralization. Hole IHAD4 is advancing at >800 meters but is not yet in the target zone.

All completed holes have intersected ironstones that fit quite readily into the IOCG model. Ironstone emplacement appears to have been preceded by an alteration plume of chlorite associated with abundant sub-vertical structures and overprinted by later alteration and mineralization. The footwall rocks can be interpreted as components of a Proterozoic diatreme or explosive breccia pipe talus slope, potentially analogous to Mt Painter.

The expanded second phase drill campaign will test geophysically-defined targets that may potentially reflect intact fertile "IOCG vent" mineralization.

In addition, drill holes IHAD2 and IHAD3 both intersected base metal sulphide-mineralized dolomitic black shales of the Tapley Hill Formation at ~400 meters depth. These intersections are particularly significant, opening up the possibility of delineating a "Kupferschiefer-style" copper-silver deposit analogous to that mined at Lubin, Poland.

Argo's current drill program has demonstrated that mineralized Tapley Hill Formation extends from the Emmie Bluff inferred copper resource, within Tapley Hill Formation, at least 2.6 km into the Company's tenement. The potential for outlining an economic copper-silver ± lead-zinc-cobalt resource is considered to be high.

To facilitate the contemplated program of work, Argo has completed a share placement (which closed oversubscribed) to raise \$A3.24m via the issue of 10.8 million shares at 30 cents per share. The raising will be applied to drilling specific basement and cover sequence targets at Argo's Intercept Hill IOCG Project. The proceeds of the placement will increase Argo's available cash to ~A\$8m providing a strong platform to expand the recently commenced exploration activities. The \$A3.24 million of shares were placed with existing Institutional shareholders and Australian-based sophisticated investors pursuant to Section 708 of the Corporations Act 2001 ("the Act"). All of the shares issued under the placement will rank pari passu with existing ordinary shares.

Shareholder approval is not required for the placement as the number of share issued does not exceed the threshold provided in ASX Listing Rule 7.1.

In accordance with Section 708A (5) (e) of the Act, the company gives notice that:

- The Company has issued these shares without disclosure to the places under Part 6D.2 of the Act;
- As at the date of this notice the Company has complied with:
  - the provisions of Chapter 2M of the Act as they apply to the Company; and
  - Section 674 of the Act
- As at the date of this notice there is no excluded information (as defined in Section 708A (7) of the Act) which is required to be disclosed by the Company.

The current successful capital raising, which attracted a high level of demand from existing and new shareholders, will allow the Company to aggressively expand its drilling program at Intercept Hill in the exploration for a new economic IOCG System and/or Kupferschiefer-style copper-silver resource.

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.

**ENDS**

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