

## QUARTERLY REPORT JUNE 2014

Argo Exploration Limited  
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### KEY POINTS

#### ***Investment in Pantheon Resources Plc ("Pantheon") Argo 6.83%***

- Pantheon has advised that discussions between the operator and interested parties in respect of the proposed restructuring of the Tyler County Joint Venture ("JV") are at an advanced stage. A further announcement will be made when the proposed restructuring has been successfully concluded, following which the operator intends to commit to a suitable rig and then drill the Kara Farms #1H well.
- The value of Argo's investment in Pantheon is now valued at \$2,562,828 at an exchange rate of 0.5531 at the end of the June Quarter.

***Argo continues to preserve cash to avoid shareholder dilution while awaiting Pantheon drilling. The Directors of Argo have agreed to continue to defer payment of director fees.***

## SUMMARY OF ACTIVITY

The Board of Argo continues to review a number of new projects to augment its investment in Pantheon, but has yet to find a project that has the potential similar to the upcoming drilling program of Pantheon.

### Corporate Strategy

Argo continues to hold a 6.83% interest in Pantheon Resources Plc (“Pantheon”). The value of Argo’s investment in Pantheon is \$2,562,828 at an exchange rate of 0.5531 as of 30<sup>th</sup> June 2014. Pantheon has announced that JV discussions with new parties are underway and upon the conclusion of these it is intended that drilling of the prospect should occur soon thereafter.

The Board did consider the option of selling some or all of its shareholding in Pantheon to further fund the cash requirements of the company, but has chosen to conserve cash in the view that selling out of a later stage project. The Board believes Pantheons project, with a lower assessed risk profile, and potential for near term value growth is favorable to seeking new funding, and then applying those funds to higher risk green fields exploration, and ongoing working capital requirements.

Should the Pantheon JV commence drilling and enjoy some success, then this should provide material capital appreciation for Argo shareholders, and provide the company with more options to raise capital to deploy to new opportunities.

## CORPORATE

Cash reserves at the end of the June 2014 Quarter stood at \$78,652 with no secured debt while the value of the Pantheon Resources Plc investment was \$2,562,828 at an exchange rate of 0.5531. This represents a value gain from Purchase of \$871,965.

The Board continues to review and evaluate potential corporate opportunities in the natural resource sector and is of the view that present market conditions will provide increased opportunities going forward at more sensible valuations than seen in recent years. This has become increasing evident in the junior resource sector, where many companies are trading well below tenement valuations.

## CORPORATE DIRECTORY

### Board of Directors

Andrew Van Der Zwan  
Christopher Martin  
Justin Hondris

### Joint Company Secretaries

Melanie Leydin  
Justin Mouchacca

### Issued Share Capital

Argo Exploration Ltd has 125,220,000 ordinary shares currently on issue.

### Registered Office

Argo Exploration Limited  
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### Share Registry

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Please direct shareholding enquiries to the share registry