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**ASX/Media Release**  
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## **DIAMOND DRILLING AT INTERCEPT HILL PROJECT YIELDS EXCITING RESULTS**

*Drilling to recommence in February;  
Calcrete Geochemical sampling program nearing completion at Toondulya Project*

### **Key Points**

- Positive assay results for diamond drill holes IHAD3 and IHAD4, Intercept Hill Project, now to hand
- Key mineralized intercepts occur at approx. 395 metres depth in IHAD2 and IHAD3, about 2.6km apart with potential for a substantial flat-lying mineralized bed
- Drilling at Intercept Hill to recommence February 2008
- Calcrete geochemical sampling program over prominent geophysical anomalies at Toondulya Project nearing completion
- Orientation biogeochemical sampling program at Toondulya Project planned to commence in the first quarter of 2008
- Toondulya drilling planned for the second quarter of 2008

Argo Exploration Ltd (**'Argo'**) (**ASX Code 'AXT'**) announced today it has received positive assay results from diamond drill holes IHAD3 and IHAD4.

### **EL3084 - INTERCEPT HILL**

The latest assay results confirm expectations based on visual analysis and supported by key geological features (strongly mineralized copper-iron oxide systems, extensive development of breccias, alteration assemblages and Hiltaba Suite granite correlatives, cerium- and lanthanum-enrichment in hydraulic breccia systems), provide strong support for possible proximity to a major Iron Oxide-Copper-Gold (IOCG) system.

These data also support the potential for delineation of economic copper-silver-cobalt-lead-zinc mineralization in the Tapley Hill Formation.

Base metal mineralization which appears to be an extension of the Emmie Bluff inferred resource (approximately 25 million tonnes at about 2% copper equivalent), has now been

proven at two sites roughly 2.6 kilometres apart defined by holes IHAD2 and IHAD3, occurring on the southern edge of EL3084.

### **Assay Results**

Assays results from IHAD3 and IHAD2 confirm Cu-Ag-Co-Pb-Zn mineralization occurs at two sites about 2.6 kilometres apart in Tapley Hill Formation (Fig. 1) which suggests the potential exists for delineation of an economic resource.

IHAD3 returned:

1.33 metres (392.67 metres to 394 metres) at 1.33% Cu, 18 g/t Ag, 0.08% Co, 0.05% Pb and 0.31% Zn including 1.05 metres at 1.64% Cu, 10 g/t Ag, 0.1% Co, 0.06% Pb and 0.39% Zn, between 392.67 metres and 393.72 metres, in black shale.

The overlying roughly 20 metres of Tapley Hill Formation consists of unmineralized dissolution dolomitic breccias.

In IHAD2, the Tapley Hill Formation included a 1.5 metre interval with weighted average grade of 1.39% Cu, 17.4 g/t Ag, 0.06% Co, 0.17% Pb and 0.37% Zn, between 393.5 metres and 395 metres, in black shale.

The assays appear remarkably consistent between the two drill holes.

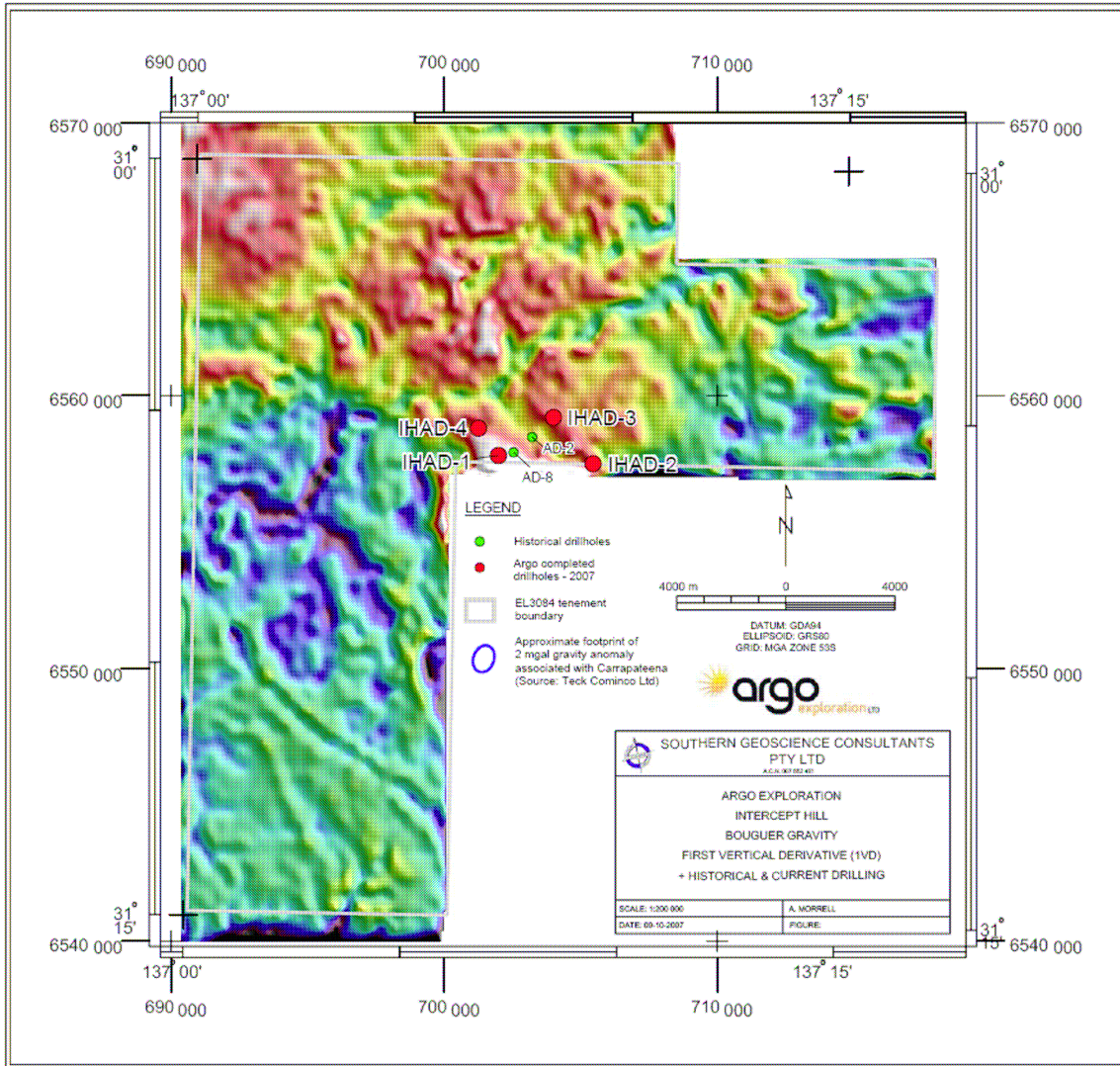
Massive, completely oxidized colloform ironstone overprinted by approximately 15% porous quartz veinlets, and intersected between 760.2 metres and 847.8 metres in IHAD3, has returned strong background copper values up to 0.34% over 1 metre increments. The ironstone is considered to have been strongly mineralized in its history, but oxidised during a palaeo-weathering event leading to the leaching of its metal content.

The analyzed 58.8 metre interval between 760.2 metres and 819 metres returned a weighted average grade of 0.15% Cu with the intervals between 761.13 metres to 795 metres, and 811 metres to 814 metres, averaging 0.18% Cu respectively. Uranium values are low, averaging about 15 ppm over the analyzed interval with the 1 metre increment between 814 metres and 815 metres returning 0.31% Pb and 64 ppm U; no gold was detected.

Drill hole IHAD4 did not return significant Cu-Au-U assays. However, the interval between 912 metres and 915.75 metres was markedly enriched in cerium (weighted average 482.5 ppm) and lanthanum (weighted average 366.5 ppm) associated with heterolithic breccias. This enrichment in cerium and lanthanum is considered to be a particularly positive indicator of proximity to significant IOCG (uranium) mineralization.

### **Resumption of Drilling**

Resumption of drilling is scheduled for the week commencing February 18. It is planned to test a number of basement IOCG targets and to evaluate the extent, tenor and potential thickness development of base metal mineralization within the Tapley Hill Formation.



**Figure 1: First vertical derivative of Bouguer gravity data, north-east shadowing, showing positions of drill holes comprising first drill campaign completed September 2007.**

## **EL3156 - TOONDULYA**

### **Calcrete Geochemical Sampling Program**

A calcrete geochemical sampling program, initiated in December 2007 is nearing completion. Well-defined geophysical anomalies were used to locate “first pass” calcrete sampling and scintillometer survey grids. These include:

- Magnetic destruction zones along late brittle –ductile shear zones
- Discrete magnetic bulls-eyes that may represent blind syenitic and/or pyrrhotitic/magnetic bodies

- Uranium first and second order anomalies that may represent leakage from another source such as calcrete channels, alluvial or colluvial redox fronts entering the edge of salinas and clay pans, and leakage above structures and other uraniumiferous bodies

The sampling grids/traverses are shown on Figures 2 and 3; approximately 2,120 calcrete samples will be gathered and relevant scintillometer measurements made. About 1,500 samples were submitted to the laboratory for analysis in December.

### ***Gold and Base Metals Grids***

A number of north-south- and north-north-west-trending magnetic lows and complex signature anomalies, over what appear to be through-going shear zones, have been targeted. At least 75% of these post date the granite emplacement, or are at least refracting through both the "granite aureole" and the outer carapace of the granite and are roughly perpendicular to the 8 kilometre long gold-copper anomaly discovered by Homestake of Australia in 1994.

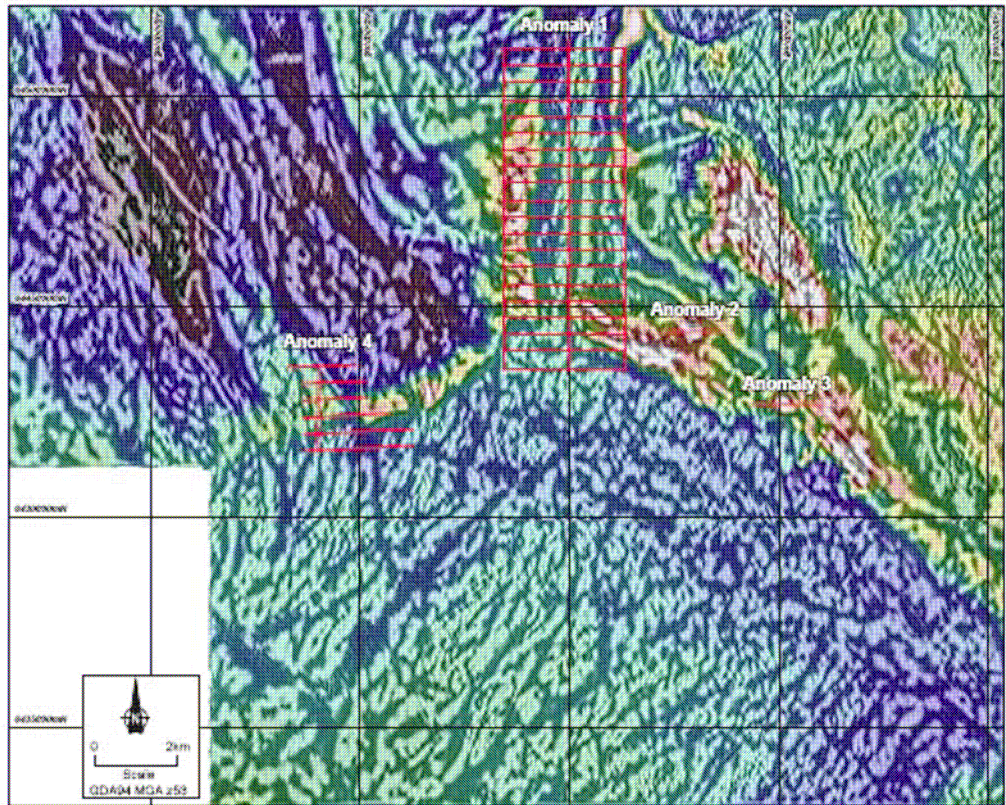
Anomaly 1 is the largest and most significant feature (greater than 11 kilometres). Its geophysical signature appears quite analogous to that of the Yarlbirinda Shear Zone which hosts the 800,000-ounce Tunkillia gold deposit further north.

Anomaly 4 is a "blind" trial survey which may generate a gold anomaly related to the Homestake discovery but in a structure oblique to that which was previously interpreted. There are some 5 other structures, similar to that being tested at Anomaly 4, in the area.

Anomalies 2 and 3 are designed to test discrete bulls-eye magnetic features at the intersection of structures. As in the Archaean Craton of Western Australia (Laverton Province), these may represent gold-related syenitic intrusives or magnetic aureoles.

None of the currently sampled anomalies are focused within the 8 kilometre long, essentially untested Toondulya, and untested Hiltaba and Ilkina, calcrete gold anomalies or the gravity high that has been successfully refined by an extensive gravity survey by Argo Exploration in 2007.

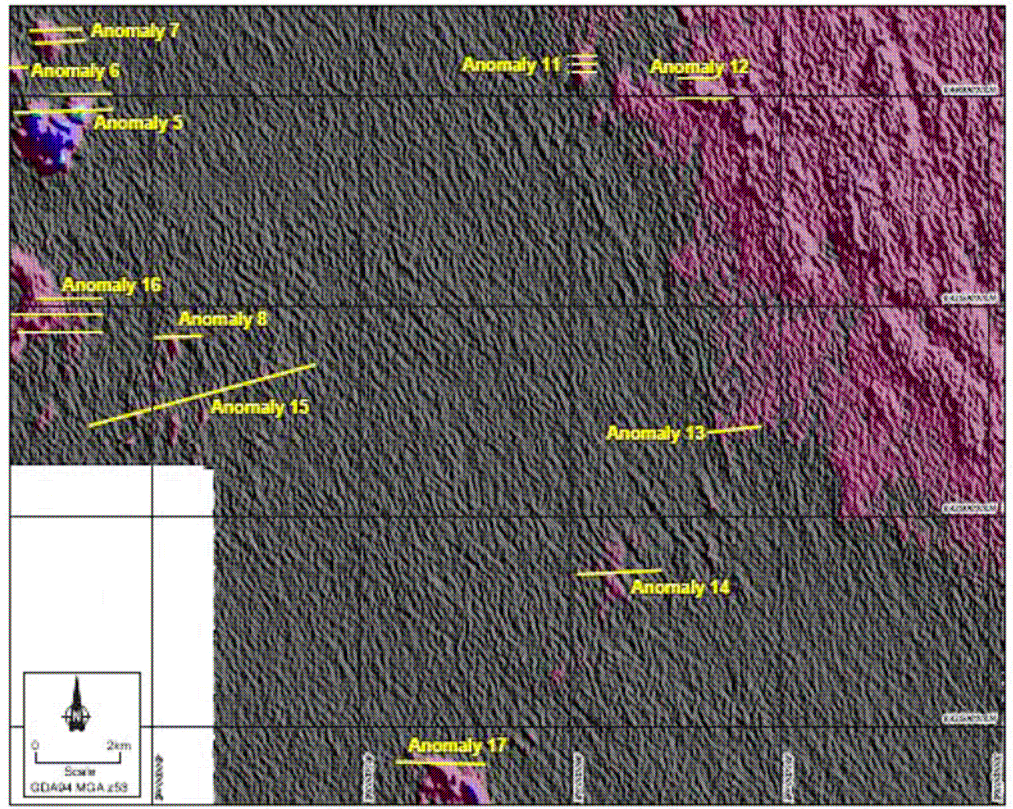
The gravity anomaly, occupying the north-western sector of Figure 2, itself may be quite substantial as it measures 10 to 15 kilometres across and is between 8 and 16 milligals in amplitude, depending upon determination of background. Currently Argo is working with its geophysical consultants to resolve the gravity anomaly prior to commencing a relevant sampling and/or drilling program.



**Figure 2: 1<sup>st</sup> Vertical Derivative magnetic image showing positions of calcrete sampling grids over Anomalies 1 to 4.**

### ***Uranium Grids***

The positions of 11 grids/traverses over uranium and very strong potassium anomalies being sampled in the current program are shown in Figure 3. The anomalies may represent leakage from various types of sources and occur to the south and east of large palaeochannels which have been the subject of much past exploration resulting in the discovery of various uraniumiferous deposits.



**Figure 3: Uranium channel radiometric image showing positions of sampling grids/traverses over a number of first and second order uranium anomalies and a high order potassium anomaly (Anomaly 15).**

### **Orientation Biogeochemical Survey**

An orientation biogeochemical survey is scheduled to commence in the first quarter to test the efficacy of sampling specific plant macerals to define geochemical dispersion haloes. Should the orientation program prove effective, a broad-scale sampling program will follow over specific areas of interest to aid geochemical anomaly definition.

### **Drilling Schedule**

It is anticipated that exploration and anomaly definition will be sufficiently advanced as to allow commencement of anomaly drill testing in the second quarter of 2008.

### **PERSONNEL**

Argo has secured the services of a senior and a junior geologist to assist with the exploration initiatives thereby facilitating simultaneous exploration of both its tenements in South Australia.

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**About Argo Exploration**

Argo Exploration Limited (ASX code 'AXT') was listed on the ASX in December 2006 raising \$7 million to explore for IOCG deposits in the Gawler Craton of South Australia. Argo is a focused explorer with two key projects, namely Intercept Hill and Toondulya.

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**Compliance Statement**

*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.*