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QUARTERLY REPORT MARCH 2008

Argo Exploration Ltd (Company; ASX code AXT) is pleased to present its Quarterly Report for the period January-March 2008.

Exploration related activities for the Quarter ended 31st March 2008 included:

INTERCEPT HILL PROJECT – EL3084

Site Clearance Surveys

Native Title clearance surveys of several high priority drill sites within EL3084 were conducted during February.

The Barngarla Native Title clearance survey was conducted on 1st and 2nd February with five of seven proposed sites receiving clearance while the Kokatha Native Title clearance survey was undertaken on 23rd February. The Kokatha cleared the same five sites as the Barngarla and refused a sixth. The surveys were professionally and amicably concluded with written confirmations being respectively received in February and March.

Drill Campaign Preparation

The results of the 2007 drilling campaign of four vertical diamond drill holes (IHAD1 to IHAD4) were assessed in detail. From the data obtained, a geological model was developed as an additional aid to targeting drill holes for the commencement of the 2008 drilling campaign.

Proposed drill hole sites were pegged, while rehabilitated drill sites from the 2007 campaign were inspected to ensure environmental compliance and photographically documented in preparation for inspection by PIRSA. Logistics for the campaign were addressed.

2008 Drilling Campaign

Boart Longyear was contracted to conduct the 2008 diamond drilling campaign at Intercept Hill using a UDR1200 rig. The campaign commenced with IHAD5 on 26th February in an area previously cleared by the respective Native Title Claimant groups.

Vertical diamond drill hole IHAD5 is a 500 meter step-out hole from copper mineralized vertical diamond drill hole IHAD2, on section between IHAD2 and IHAD3 (2007 drilling campaign). Argo believed that the chalcopyrite-pyrite mineralized, magnetite-rich basement IOCG package intersected in IHAD2 may indicate proximity to more significant IOCG mineralization. Hence, IHAD5 was positioned to test the premise that better copper values may be found in oxidized hematite-dominant "fringes" to copper-bearing magnetite-rich ironstones.

IHAD5 was completed to a depth of 1,152.7 meters on 14th March having intersected mineralized Tapley Hill Formation and basement iron oxide copper-gold- (IOCG) style bornite-chalcopyrite-pyrite mineralization hosted by brecciated and altered granites and metasediments. The granites have been interpreted as having Hiltaba Suite affinities.

The presence of bornite in both the Tapley Hill Formation and basement sulphide mineralized packages in IHAD5 is considered important in terms of grade because it is a high tenor copper mineral containing twice as much copper (~63.32% Cu) as the more common copper ore mineral, chalcopyrite (~34.5% Cu). On this basis, and coupled with visual assessment of the mineralized packages, Argo believes that the intersections in IHAD5 may be potentially significant.

Mineralized intervals of core from IHAD5 were sawn and half core samples dispatched to Adelaide for sample preparation and analysis. For the Tapley Hill Formation interval, this involved half HQ core while the basement involved half NQ2 core.

Vertical diamond drill hole IHAD6, commenced on 15th March, is positioned a further 500 north-north-west of IHAD5 on section towards IHAD3. This hole was advancing at >1,000 meters depth at the end of March. Detailed drill logs are not presently available.

TOONDULYA PROJECT – EL3156

Calcrete Geochemical Sampling Program

The calcrete geochemical sampling program, initiated in December along pre-defined grids and traverses, was completed during January 2008. The aim of the calcrete geochemical sampling program was to assess well-defined geophysical anomalies including:

- magnetic destruction zones along late brittle –ductile shear zones;
- discrete magnetic bulls-eyes that may represent blind syenitic and/or pyrrhotitic/ magnetic bodies; and
- uranium first and second order anomalies that may represent leakage from another source such as calcrete channel, alluvial or colluvial redox fronts entering the edge of salinas and clay pans, and leakage above structures and other uraniferous bodies.

About 620 calcrete samples were collected in January giving a total of ~2,120 for the sampling program. Relevant scintillometer measurements were made at localities defined by airborne radiometrics as being radiogenic. Analytical results for the calcrete samples have not yet been received.