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**ASX/Media Release
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Exploration Farm-In and Joint Venture Agreement Finalised

Melbourne, 17 October 2011 - Argo Exploration Ltd (**'Argo'**; **ASX Code 'AXT'**) announced today that Mount Isa Mines Limited (**'Xstrata Copper'**) and Argo have finalised an Exploration Farm-In and Joint Venture Agreement ('Agreement') over the Intercept Hill Project (EL4164). The Agreement, executed 10th October 2011, governs the working relationship between the parties and formalises the terms and conditions set down in the Binding Terms Sheet dated 15th March 2010.

Under the terms of the Agreement, Xstrata Copper has the right to sole fund \$16 million exploration expenditure to earn a seventy five per cent (75%) interest in EL 4164.

Initially, Xstrata Copper can earn a 51% interest by expending \$4 million within 3.5 years on exploration of the tenement.

Xstrata may, upon earning 51%, elect to sole fund an additional \$12 million within a further 4 years to earn an additional 24% interest in the project. Upon Xstrata Copper earning a 51% or, if it elects, a 75% interest, Argo has the right to contribute on a pro rata basis, or dilute down according to an agreed formula to a 10% interest at which time the interest will convert to a 2% net smelter royalty.

Xstrata Copper will undertake all exploration carried out during the earn-in period, commencing 15th March 2010, and will manage the joint venture while it maintains a joint venture interest in excess of 50%. Xstrata Copper has the right, but not the obligation, to bring forward expenditure to achieve either or both the 51% and/or 75% equity interest position.

Xstrata Copper must meet a minimum expenditure of \$1.2M during the first 24 months of earn-in and \$600K thereafter. Should Xstrata Copper withdraw prior to expending \$4 million, it will have earned no interest in the tenement.

In the event that Xstrata elects, having completed earn-in to 51%, not to further contribute to exploration expenditure, Argo has the right to sole fund further exploration and dilute Xstrata's interest according to an agreed formula. Xstrata may buy back to 51% at any time by reimbursing Argo a multiple of 3 times Argo's sole funding expenditure, and may then sole fund \$24 million within 3 years to earn an additional 24% interest in the tenement (75% total).

Conclusion of the formal Agreement provides clear endorsement of the Joint Venture Partner's belief in the potential of the tenement to host an economic iron oxide copper-gold (IOCG) deposit/s. Further drilling, which includes additional holes at Winjabbie East Prospect, is planned.

Xstrata Copper's earn-in expenditure on the tenement currently amounts to approximately \$1.195M.

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ABOUT ARGO EXPLORATION

Argo Exploration Limited ('Argo'; ASX Code 'AXT') is a junior exploration company searching for IOCG, gold, uranium and base metal deposits in prospective locations of the Gawler Craton, South Australia. Argo is a focused explorer searching for world-class ore deposits within two key project areas, 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 Dr HK Herbert, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Herbert 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' Dr Herbert consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.