

MARCH 2010 QUARTERLY REPORT

ABOUT ARGO EXPLORATION LTD

Argo Exploration Limited ('Argo') (ASX Code 'AXT') is a junior exploration company searching for iron oxide copper-gold, 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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SUMMARY OF ACTIVITY

During the quarter, the Company signed a landmark binding agreement with Xstrata Mount Isa Mines Limited (**'Xstrata Copper'**) to form an exploration Farm-In and Joint Venture to advance drill testing of high quality iron oxide copper-gold (IOCG) targets previously identified by Argo at its 100%-owned Intercept Hill tenement in South Australia.

The two stage agreement initially grants Xstrata Copper the opportunity to earn a 51% interest in Intercept Hill EL4164 by expending A\$4 million within 3.5 years and, secondly, allows Xstrata Copper to earn an additional 24% (to take its interest to 75%) by expending an additional A\$12 million within a further 4 years; Xstrata Copper may, at its election, bring these expenditures forward.

Intercept Hill (EL4164)

- Contracted time domain transient electromagnetic (TEM) survey data has been analyzed and modeled by Xstrata Copper. The surveys have detected a number of deep, discrete conductive responses, at the limits of the data at Emmie North, Winjabbie and Canegrass prospects, as well as effectively mapping a conductive contact within cover sequence rocks (Fig. 1) at Emmie North. Further surface soundings, using alternative instrumentation and lower frequencies to better assess potential deep conductors within basement, is planned.
- Argo's high-quality gravity and magnetic survey data will be further modeled by Xstrata Copper in an attempt to refine the targets defined at Canegrass South and Oak Dam South (Fig 2).
- Preliminary 3-D modeling of a significant gravity feature (Fig. 3) outlined a high priority, north-easterly elongated gravity target some 4 by 2 km in size (Fig. 4). An interpretative east-west cross section through proposed drill site CGSDH001, at Canegrass South prospect, comprises Figure 5.
- Re-logging of all Argo drill holes is scheduled ahead of commencement of drilling.
- If logistically possible, commencement of drilling at either Canegrass South, or Oak Dam South, is planned for the next Quarter.
- Semi-quantitative mineral analysis of iron oxide-altered basement intersections at Emmie North and Winjabbie East Prospects is progressing well and data for 4 drill holes has been received. This data is currently being assessed in an attempt to establish potential mineralogical vectors to ore.

Toondulya (EL4284)

- Planning for an orientation geobotanical survey, supported by additional calcrete geochemical sampling, at the Toondulya, Ilkina and Hiltaba gold anomalies (Fig 6) is well advanced. The survey work is expected to be implemented during the June Quarter.

Pantheon Resources Plc (Argo principal shareholder)

The spud date for the Pantheon-Vision Joint Venture well VWB#1 was delayed due to the existing lessee of the preferred rig deciding to exercise its option to drill a further and final well and to an extremely tight market for alternative deep rigs within East Texas and West Louisiana.

In order to limit the potential for further delays, the Joint Venture took immediate action to secure the services of a second rig and now holds "first refusal" rights over two rigs. Based on current commitments for both rigs, it is expected that VWB#1 well will spud the latter part of May. The delay in well commencement reflects the Joint Venture's fundamental requirement to have the correct facilities in place. Both rigs possess the required horse power pumping/pulling capacity and crew required to drill the well effectively and efficiently.

CORPORATE

Cash reserves at the end of the March 2010 Quarter stood at \$1,929,303, with no secured debt. The value of the Pantheon Resources Plc investment stood at £1,845,200 (\$3,038,866 at an exchange rate of 0.6072). The Board continues to examine quality commercial opportunities to expand its exploration/development portfolio.

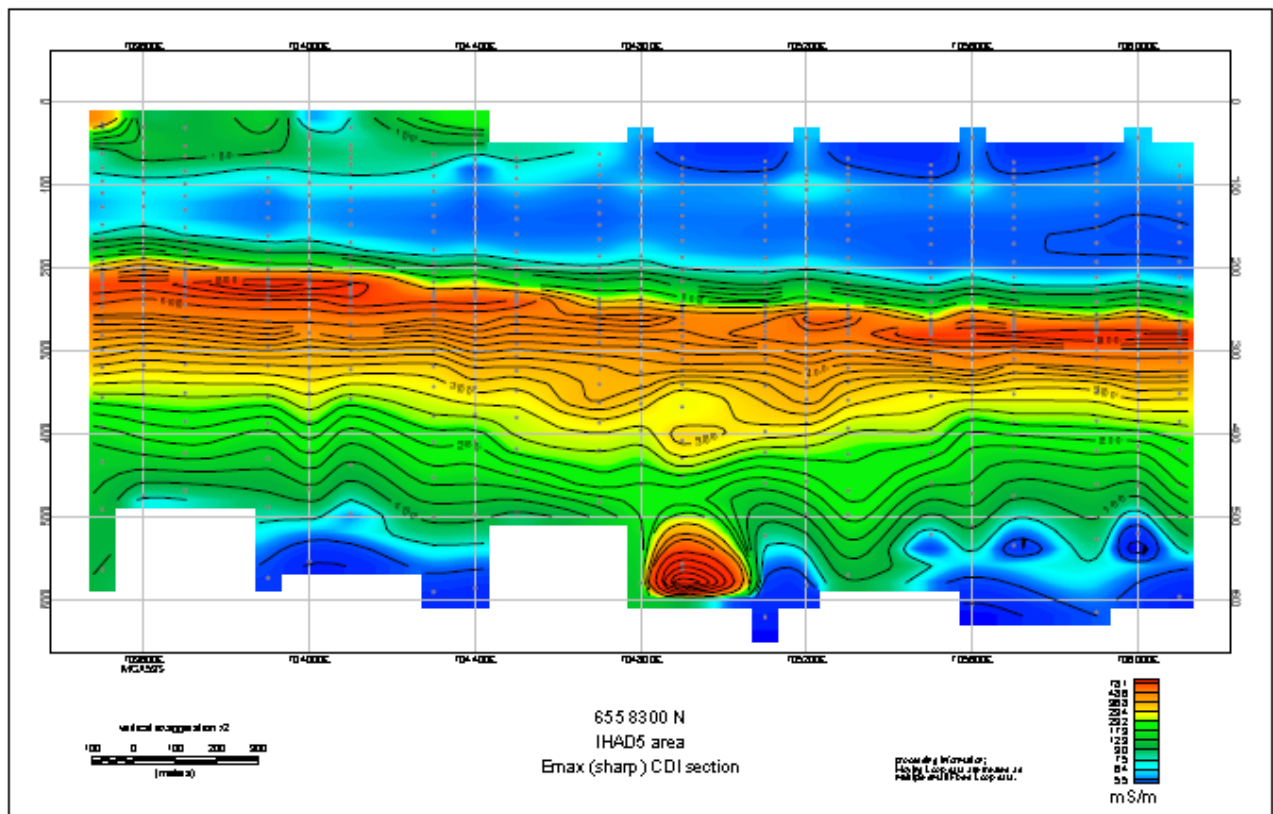


Figure 1: Conductivity Depth Image Line 6558300N in the area of Argo's diamond drill hole IHAD5 showing an extensive flat-lying conductive zone within cover sequence rocks between 240 and 280 meters depth, corresponding to the contact zone between the Tregolana Shale and Whyalla Sandstone, and a deeper, discrete conductor at 500+ meters within Pandurra Sandstone.

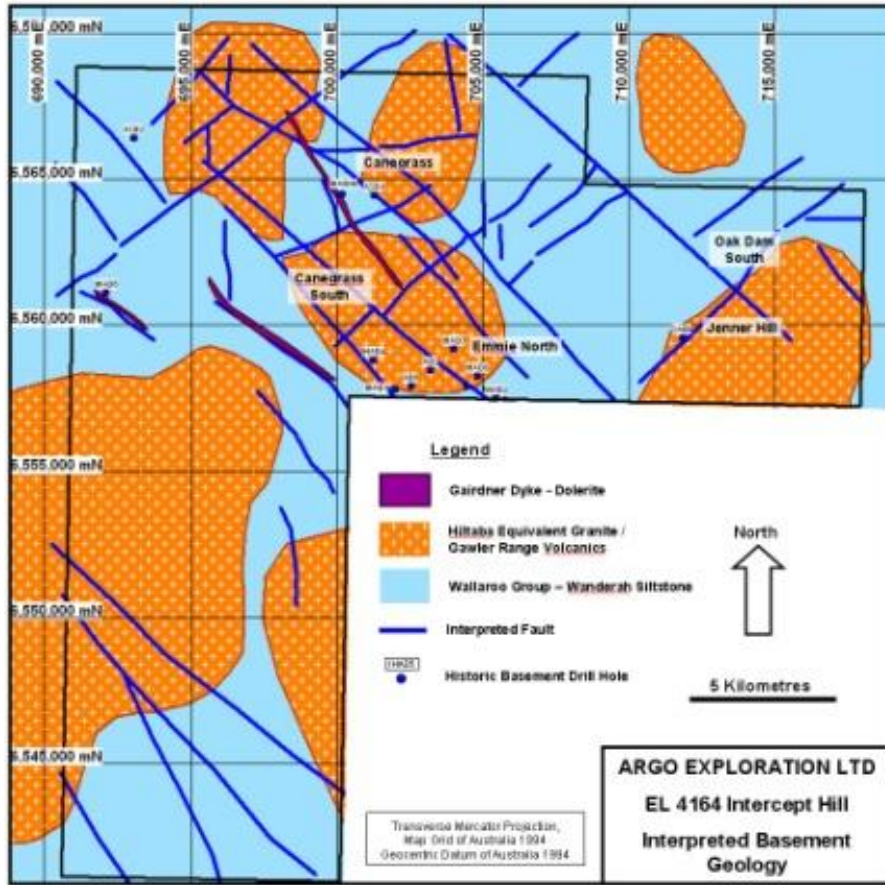


Figure 2: Interpreted basement geology showing Canegrass South and Oak Dam South Prospects in relation to Emmie North and Argo's drill holes.

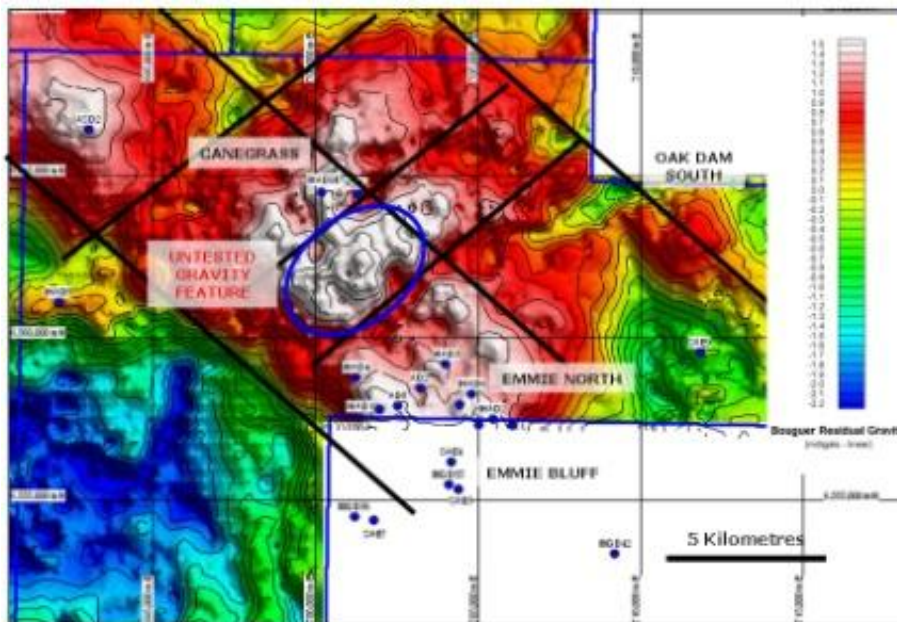


Figure 3: Gravity image showing prominent untested gravity features at Canegrass South and Oak Dam South in relation to Emmie Bluff (Xstrata Copper-Gunson JV), Emmie North, Canegrass and selected drill holes.

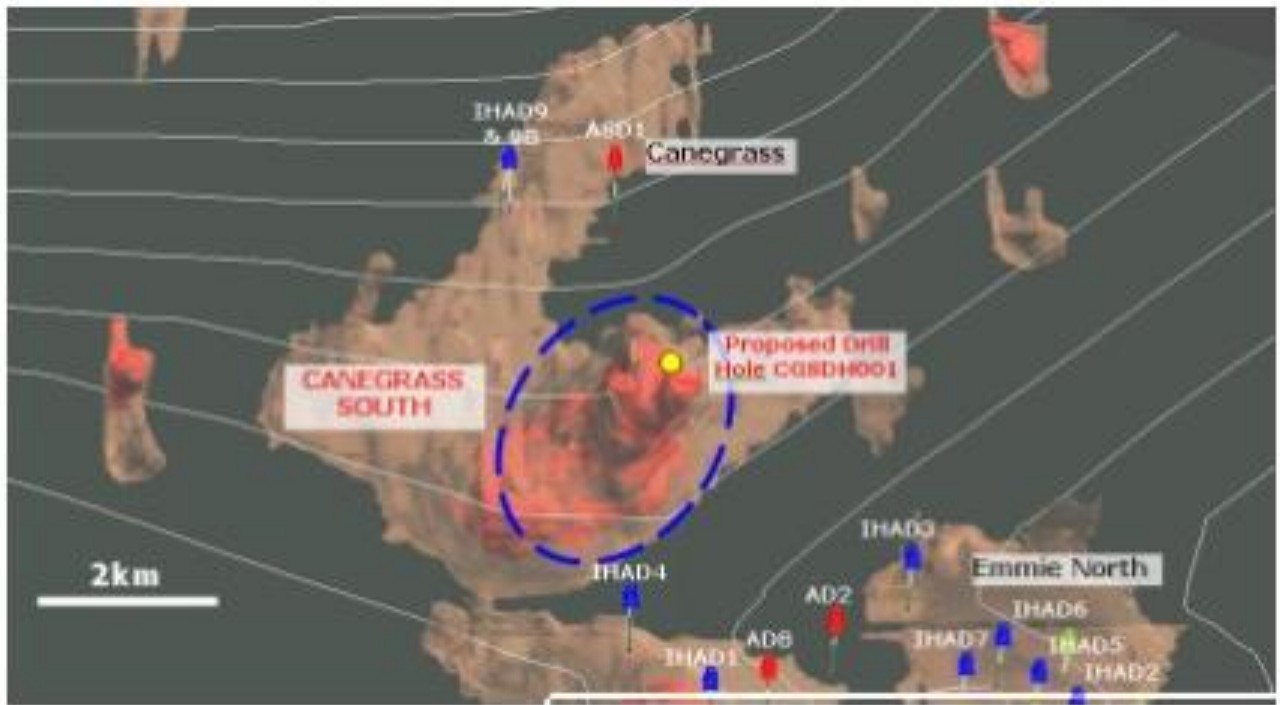


Figure 4: Prominent 3-D gravity feature, comprising the Canegrass South Prospect, in relation to Argo and early WMC drill holes. Also shown is location of proposed diamond drill hole.

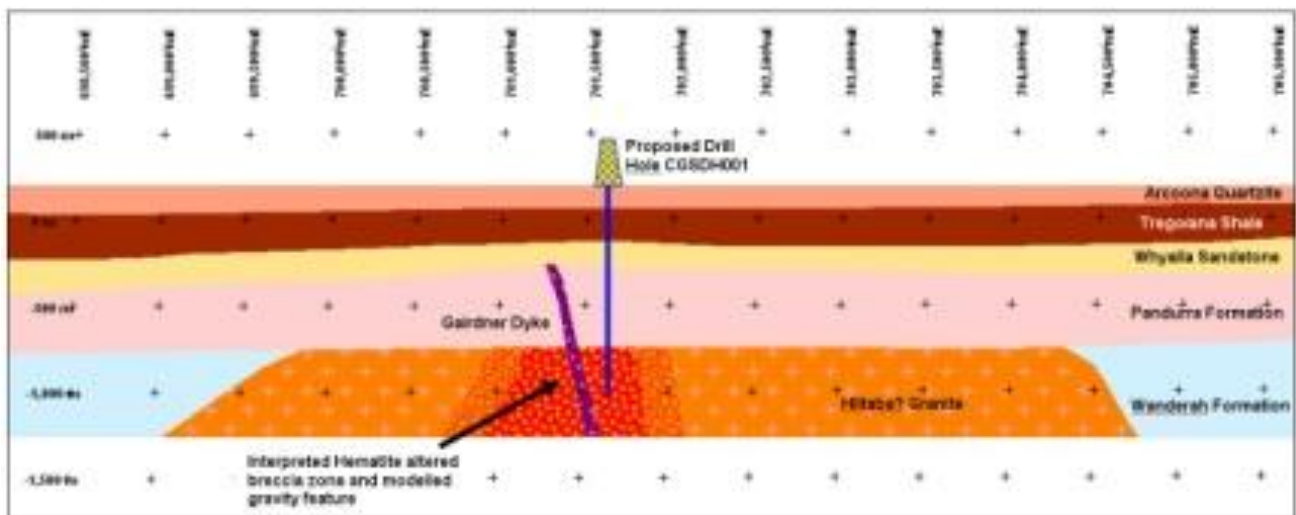


Figure 5: Interpretive, schematic east-west cross section through site of proposed diamond drill hole.

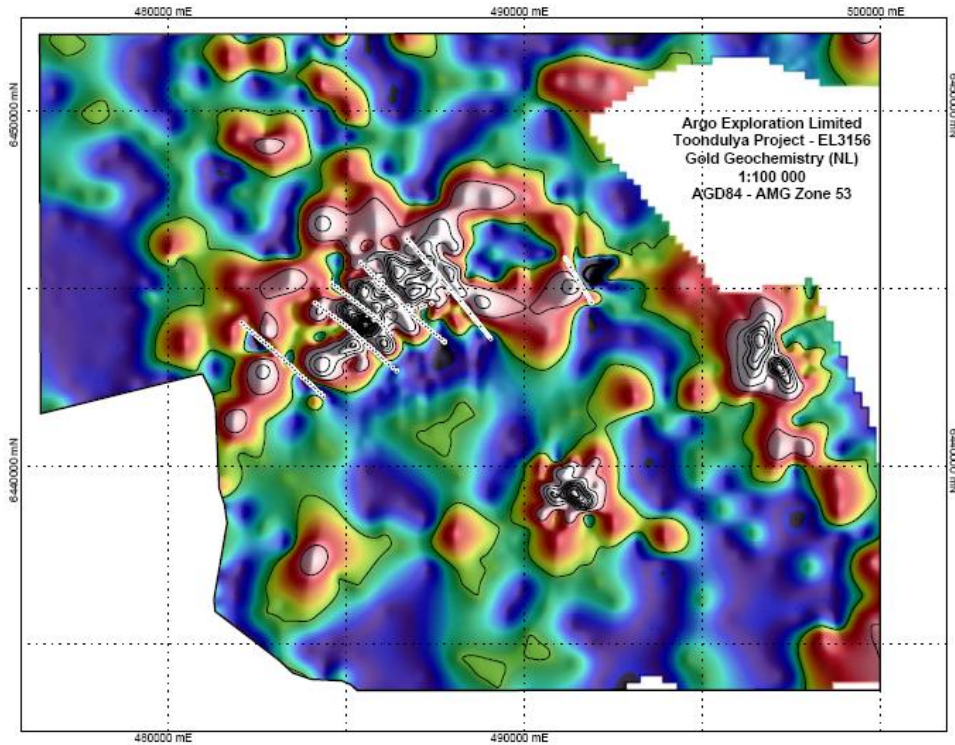


Figure 6: Contoured plan of gold-in-calcrete showing the Toondulya (north-west), Hiltaba (east) and Ilkina (south-central) gold anomalies.

CORPORATE DIRECTORY

Board of Directors

Hugh Herbert Chairman & MD
 Meredith Bird Non-Executive Director
 Justin Hondris Non-Executive Director

Company Secretary

Melanie Leydin

Issued Share Capital

Argo Exploration Ltd has 82,800,000 ordinary shares currently on issue.

In addition, there are 30 million options issued to cornerstone investors, directors and employees with an expiry date of 10 December 2010. The options are exercisable at \$0.20.

Registered Office

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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.

Quarterly Share Price Activity

	High	Low	Last
Mar 2009	\$0.060	\$0.027	\$0.035
Jun 2009	\$0.050	\$0.031	\$0.032
Sept 2009	\$0.053	\$0.030	\$0.053
Dec 2009	\$0.080	\$0.045	\$0.052
Mar 2010	\$0.115	\$0.040	\$0.065

Share Registry

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Please direct shareholding enquiries to the share registry.