

JUNE 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

Intercept Hill (EL4164)

Argo – Xstrata Copper Joint Venture

- Argo received notification that its application for funding support under Round 6 of the South Australian Government's Plan for Accelerating Exploration (PACE) Initiative was successful in respect of Oak Dam South Prospect with \$60,000 being contributed towards drilling costs of an initial hole. Applications under the PACE Initiative are peer assessed on the basis of technical, scientific and commercial merit.
- The Kokatha-Uwankara Native Title claimant group generously endorsed all drill sites previously cleared within EL4164 by the Kokatha claimants, including a site at Oak Dam South Prospect.
- Argo's detailed gravity and aeromagnetic magnetic survey data has been further modeled in 3-D by Xstrata Copper to more rigorously refine drill targets at Oak Dam South Prospect (Fig. 1). In addition, regional modeling within EL4164 is continuing with the objective of refining further geophysical features potentially worthy of drill testing.
- A field trip with Xstrata Copper personnel is scheduled for 16th-17th July to check potential drill sites at Canegrass South, and further sites at Oak Dam South, in preparation for clearance and drilling.
- Re-logging of all Argo drill holes by geologists from Xstrata Copper is scheduled to commence on or before 15th July, ahead of commencement of drilling expected in Quarter 3.
- Semi-quantitative (HyLogger™) mineral analysis of iron oxide-altered basement intersections, together with selected cover sequence intervals, of Argo drill cores from Emmie North, Winjabbie East and Canegrass North Prospects, is continuing at Primary Industries and Resources South Australia (PIRSA). Data received to date has been reviewed against time domain transient electromagnetic (TEM) survey results. An interesting potential correlation between alteration mineralogy, mineralization, stratigraphy and TEM conductive zones is evolving and will be further developed as additional mineralogical data is received.

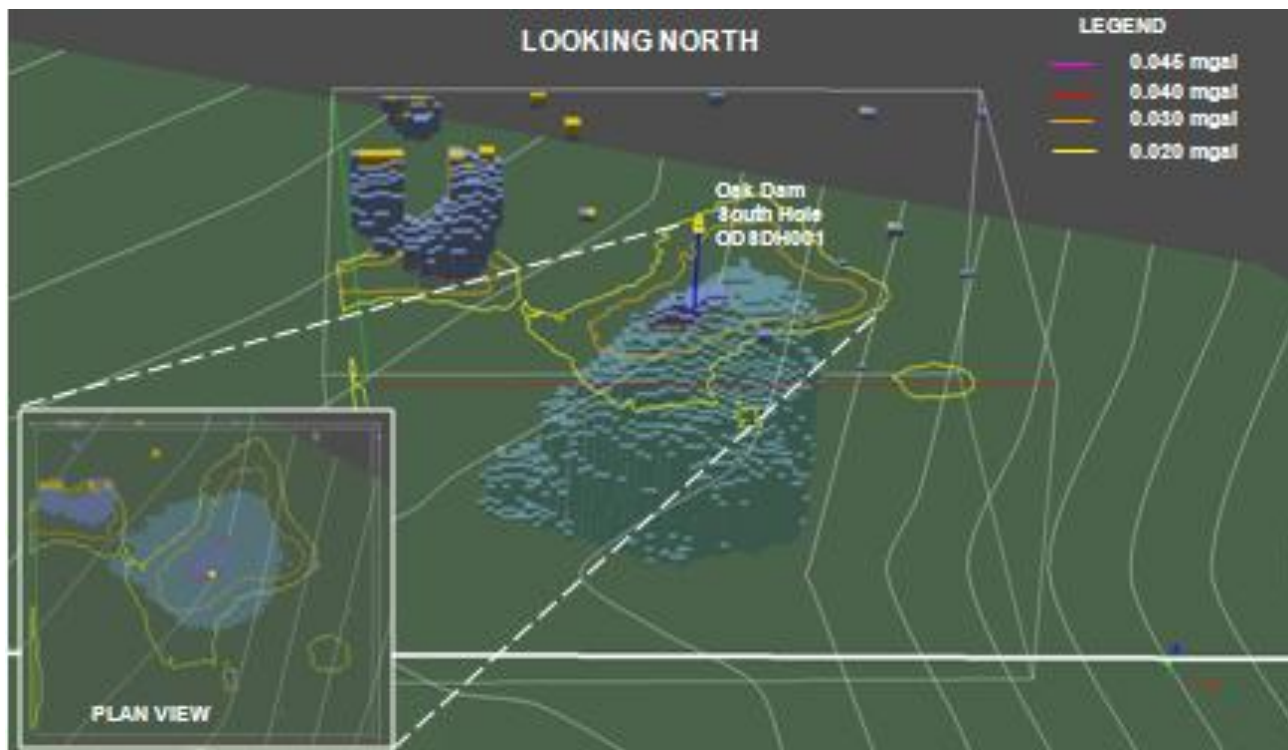


Figure 1: Discrete circular 3-D gravity feature comprising the Oak Dam South Prospect showing location of proposed initial drill hole ODSDH001. Modeled by Xstrata Copper.

Toondulya (EL4284)

A field party was mobilized to Toondulya to undertake an orientation geobotanical survey, supported by additional calcrete, soil and possible lag geochemical sampling, at the Toondulya, Ilkina and Hiltaba gold anomalies, together with selected traverse lines overlying geophysically defined areas of interest. The objective was to evaluate the efficacy of alternative sample media for geochemical assessment of dune covered areas comprising the bulk of EL4284 as a prelude to more exhaustive geochemical sampling. The field party was forced to withdraw prior to commencement of work due to a heavy rain event which precluded both road and off-road access. Subsequent rain events and crew availability have pushed the program out to Quarter 3.

Pantheon Resources Plc (Argo principal shareholder)

The spud date for the Pantheon-Vision Joint Venture well VWB#1 has been further due to an extremely tight market for appropriate deep rigs and prevailing costs within East Texas and West Louisiana. Based on current rig commitments, and declining drilling costs, it is expected that VWB#1 well will spud mid Quarter 3.

The delay in well commencement reflects the Joint Venture's fundamental requirement to have the correct facilities in place. Rigs under consideration

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 June 2010 Quarter stood at \$1,813,430, with no secured debt. The value of the Pantheon Resources Plc investment stood at \$2,946,523 at an exchange rate of 0.5666.

The Board continues to examine quality commercial opportunities to expand its exploration/development portfolio.

CORPORATE DIRECTORY

Board of Directors

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

Company Secretary

Melanie Leydin

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.

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.

Quarterly Share Price Activity

	High	Low	Last
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
Jun 2010	\$0.050	\$0.034	\$0.034

Registered Office

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