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**ASX/Media Release  
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**Drilling Update - Winjabbie East Prospect**

**Melbourne, 18 May 2012** - Argo Exploration Ltd ('Argo'; ASX Code 'AXT') is pleased to announce today that Mount Isa Mines Limited ('Xstrata Copper' as operator of the Argo - Xstrata Copper Joint Venture) has provided an up-date on drilling progress at Winjabbie East Prospect.

The first hole of the current program, WJE002, is advancing at 630 meters (16<sup>th</sup> May) within Tapley Hill Formation.

Previous drilling at Winjabbie East has shown that Tapley Hill Formation rests directly on target basement and was intersected down-hole at 550 meters. Xstrata Copper anticipates intersecting basement at between ~690 meters to 750 meters down-hole.

Winjabbie East Prospect is viewed by Xstrata Copper and Argo as being prospective for medium- to high-grade mineralisation of reasonable tonnage (either as skarn or potentially a related IOCG body), situated within a larger body of strong alteration and low-grade mineralisation.

The current drilling program involves two angled holes designed to further test the mineralised Winjabbie East skarn/iron oxide copper-gold (IOCG) alteration system with details as follows (Table 1).

Hole ID	GDA96			Dip	RC (m)	DD (m)	Depth (m)
	Easting (m)	Northing (m)	Azimuth (°T)				
WJE002	691625	6560915	070	70	100	1000	1100
WJE003	692100	6561100	160	70	100	1000	1100

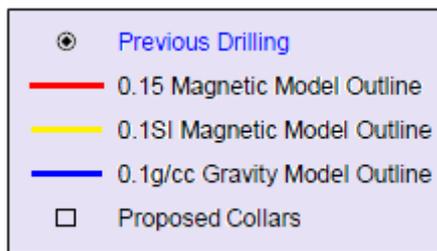
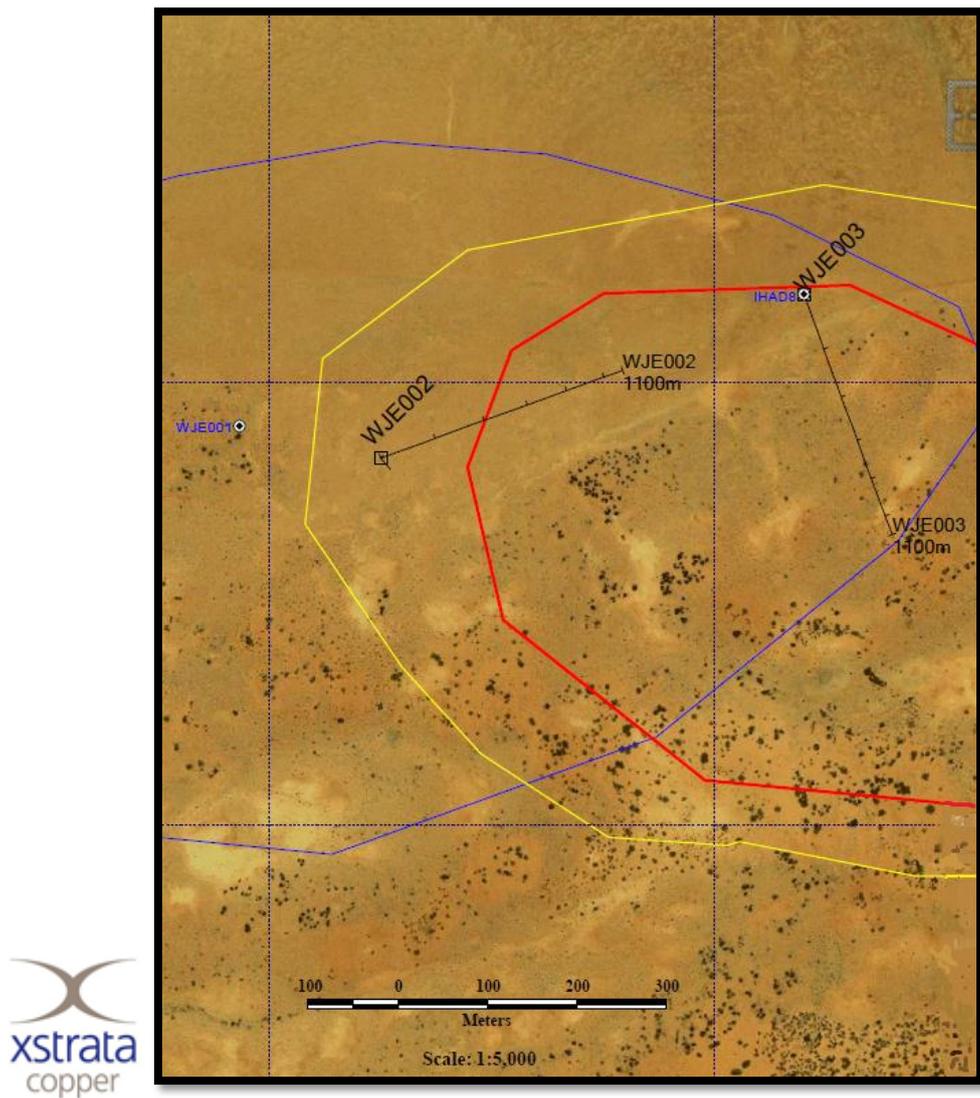
**Table 1:** Drillhole details for the current 2012 Winjabbie East drilling program.

**WJE002**

This hole, directed to the east-north-east towards drillhole IHAD8, is collared approximately 220m from WJE001 and 520m from IHAD8 (Fig. 1). The hole is planned with an initial dip of -70°, and is estimated to reach basement in the order of 360m horizontally from WJE001 and 310m horizontally from IHAD8.

**WJE003**

WJE003 will be collared on the old IHAD8 drill pad and oriented towards the south with a dip of -70° (Fig. 1). Basement is expected to be intersected around 220m from the IHAD8 intersection at a down-hole depth ~770m (~620m vertical).



**Figure 1:** Satellite image plan showing position of past and present drillholes relative to Gravity and Magnetic model outlines. Note that the current holes WJE002 and WJE003 will test areas exclusively within the gravity/magnetic overlap area. The vertical projections of the drillhole traces are shown, terminating at a down-hole depth of 1,100 meters.

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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.*