

ARGEX RELEASES POSITIVE PRELIMINARY ECONOMIC ASSESSMENT STUDY ON THE LA BLACHE PROJECT

Montreal, Quebec – October 26, 2011 - Argex Mining Inc. (“Argex”) is pleased to report that it has received the results of the preliminary economic assessment (PEA) completed on its 100%-owned La Blache project located on the North Shore of Quebec. The PEA study was completed by BBA Inc. of Montreal, Quebec with the collaboration of Met-Chem Canada Inc. and Genivar. The complete technical report will be filed on SEDAR and Argex’s website within 45 days of this news release.

The La Blache PEA study includes the following highlights:

- IRR (Pre-Tax): 32%;
- NPV: \$2.2 billion (using an 8% discount rate);
- Payback period of 7 years – assuming a staged, modular plant construction
- Total operating cost (net of by-products) of \$586 per tonne of TiO₂ (averaged over the life of the mine);
- Price per tonne of TiO₂ (trailing 3 year average): \$2,846 (\$US/tonne);
- Capital costs: \$801 million;
- Timeline: 25 years;
- Life of mine: 25+ years of mineral resources (in all categories);
- Production profile: 195,000 tonnes of TiO₂ at capacity;

“The La Blache operation outlined for this PEA represents extremely positive news for Argex and its shareholders. The high NPV, high IRR and high cash flows represent a significant validation of the economic viability of La Blache. Our results to date and this independent engineering study make a compelling case for expediting the La Blache project,” said Roy Bonnell, President and Chief Executive Officer of Argex.

“I am very pleased at the progress the team has made on the La Blache project,” Roy Bonnell added, “In less than 2 years, during a period of great market volatility, we have raised the required funds, completed the required drilling program, collaborated in the development of a unique proprietary extraction process, and delivered this positive scoping study.”

The PEA study shows a net present value (NPV) of \$ 2.2 billion at a cash flow discount rate of 8 per cent over a 25 year time period. The model is based on an initial production profile of 15,000 tonnes of titanium dioxide (TiO₂) per year, which is subsequently scaled up to 195,000 tonnes per year. The internal rate of return (IRR) for the project is 32% (before tax).

Enrico Di Cesare, Chief Operating Officer and Vice-President of Technology of Argex, commented on the report as follows, “This study confirms the technological and economic viability of Argex’s proprietary metallurgical process and clears the path towards the next step, the construction of an industrial-sized pilot plant.”

“As a typical PEA is based on laboratory-scale metallurgical testing,” added Mr. Di Cesare, “our study has gone well beyond what is normally expected as we have operated the mini-plant continuously since February 2011. This should permit us to fast-track our feasibility-stage studies.”

Argex’s proprietary technology allows the production of high-purity TiO₂ directly from the run-of-mine material, and the TiO₂ pigment produced has achieved brightness results that are in line with or superior to some of the major TiO₂ industry producers.

The study assumes a three-year trailing average price for TiO₂ of \$2,846 per tonne. In a recent market report by Credit Suisse dated October 13, 2011, the current price for TiO₂ now exceeds \$3,740 per tonne. As reported in the August 31, 2011 news release by Argex, the updated price forecast by Ti Insight LLC for high-quality titanium dioxide (TiO₂) pigment will exceed \$6,000 per tonne in 2015 for all global sales regions.

The PEA is preliminary in nature and it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Key Parameters & Assumptions

IRR (Pre-Tax) = 32%

NPV (undiscounted) = \$8.1 Billion

NPV (at 5% discount rate) = \$3.5 Billion

NPV (at 8% discount rate) = \$2.2 Billion

NPV (at 10% discount rate) = \$1.6 Billion

Payback = 7 years

Exchange Rate (\$US:\$CDN) = 1.00

TiO₂ Price = \$2,846.00 (\$US/mt)

Iron Oxide Briquettes = \$135.00 (\$US/mt)

Hydrometallurgical Plant Recoveries: TiO₂ (87%); Fe (90%); V (90%)

Capital Costs

(in millions of U.S. dollars)

Mine = \$22.8 Million

Hydrometallurgical Plant = \$778.6 Million

Operating Costs

(in U.S. dollars per tonne of TiO₂)

Average Operating Cost (Net of by-products) = \$586 (\$US/tonne TiO₂)

The in-pit mineral resources calculated by BBA Inc. using a 11.76% Ti-equivalent cut-off grade, total 7.8 million tonnes grading 10.69% Ti, 41.92% Fe and 0.24% V in the measured category, 16.9 million tonnes grading 10.69% Ti, 41.95% Fe and 0.24% V in the indicated category, with an additional 4.7 million tonnes grading 10.67% Ti, 41.76% and 0.25% V in the inferred category. The mineral resource estimate was completed by Met-Chem and reported in the Argex news release dated May 18, 2011.

The technical information disclosed in this news release has been reviewed and approved by Murray Brown, P.Eng. and Patrice Live, P.Eng., independent Qualified Persons for BBA Inc. and André Laferrière, P.Geo., Qualified Person for Argex as defined by National Instrument 43-101 for the *Standards of Disclosure for Mineral Projects*.

About Argex Mining Inc.

ARGEX MINING INC. has recently transitioned from a mining exploration company to a near-term producer of commodities that the world needs: Titanium Dioxide, Iron and Vanadium Pentoxide. With a primary goal of advancing rapidly towards production, Argex has adopted a simple and low-risk strategy for the scale-up of its proprietary process that allows it to produce high purity TiO₂ directly from its 100% owned deposit.

The process is running continuously at the mini-plant in Mississauga, Ontario. The closed-loop process is environmentally friendly and produces minimal inert tailings.

Additionally, the Company owns 100% of the Mouchalagane property, which is a large Labrador Trough iron ore property that represents further potential upside for the Argex shareholders.

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