ARGO EXPLORATION LIMITED
ABN 38 120 917 535

ANNUAL REPORT – 30 JUNE 2018

Argo Exploration Limited
Contents
30 June 2018

Argo Exploration Limited
Corporate directory
30 June 2018

Directors	Andrew Van Der Zwan (Non-Executive Director) Justin Hondris (Non-Executive Director) Christopher Martin (Non-Executive Director)
Company secretaries	Melanie Leydin Justin Mouchacca
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205 Tel: +61 3 9692 7222 Fax: +61 3 9077 9233
Principal place of business	Level 4 100 Albert Road South Melbourne VIC 3205
Share register	Advanced Share Registry Ltd 150 Stirling Highway Nedlands WA 6009 Telephone: (08) 9389 8033
Auditor	Grant Thornton Audit Pty Ltd Chartered Accountants Collins Square, Tower 1 727 Collins Street Docklands VIC 3008
Stock exchange listing	Argo Exploration Limited shares are listed on the Australian Securities Exchange (ASX code: AXT)
Website	www.argoexploration.com.au
Corporate Governance Statement	The Company's 2018 Corporate Governance Statement has been released to ASX on this day and is available on the Company's website at http://argoexploration.com.au/corporate-governance/

Argo Exploration Limited
Directors' report
30 June 2018

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Argo Exploration Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors
The following persons were directors of Argo Exploration Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Andrew Van Der Zwan (Non-Executive Director)
Mr Justin Hondris (Non-Executive Director)
Mr Christopher Martin (Non-Executive Director)

Principal activities
During the financial year the principal activities of the consolidated entity consisted of reviewing potential exploration and development of resource acquisitions and management of the Company's investments.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $3,948,380 (30 June 2017: $10,762,046).

Included in the loss for the year is a fair value adjustment amounting to $3,709,181 relating to the reduction in the carrying amount of the Company’s investment in Pantheon Resources plc (2017: reduction of $12,317,114).

The net assets of the consolidated entity decreased by $3,948,380 to $1,972,857 as at 30 June 2018 (2017: $5,921,237). The consolidated entity's working capital, being current assets less current liabilities decreased by $3,948,380 to $1,972,857 (2017: $5,921,237).

The year ended 30 June 2018 was a challenging one for Argo Shareholders. Its holding of 7,000,000 shares in AIM Listed Oil & Gas Explorer Pantheon Resources plc (“Pantheon”), being 2.95% of the issued capital in Pantheon, had a weaker performance as compared to previous corresponding period.

High level overview of Pantheon:

• A challenging year for Pantheon at an operational level, however the geological potential of the acreage remains.
• During the year Pantheon completed an oversubscribed equity fundraising of c.US$12.5m.
• Pantheon commenced first production from its Polk County prospect in November 2017. Disappointingly the VOBM#1 well which had flow tested at c.1,500 boepd suffered a collapsed casing issue which compromised the integrity of the wellbore and materially impacted production. It is believed that the geological potential of the location remains and it is intended that the well will be sidetracked over the coming months.
• The VOBM#5 well was drilled and encountered potentially significant hydrocarbons and exhibited logging data indicated great potential. Unfortunately, the operator fracked the well during completion which subsequent independent analysis has suggested resulted in the frack intercepting a deeper water source which introduced water into the wellbore.
• Analysis during the year has confirmed the potential of 2 further potentially productive zones on the acreage; the Wilcox and Navarro.
• Very sadly, the principal of Vision unexpectedly passed away in June 2018. Vision is Pantheon’s partner and the operator in the Tyler and Polk County project. This event created significant uncertainty over a number of events including the timing of future operations, the funding position and leadership of Vision, operatorship etc. Pantheon has stated publicly that it is in discussions with the family of the principal at Vision in an effort to acquire Vision’s working interests in the project, to bring Pantheon to a 100% working interest position in the project and to minimise disruption to operations. If successful, consideration is intended to linked to the success of future operations of the project.
• Pantheon announced that the acreage position of the project (100% basis) had reduced to c.17,100 net mineral acres from the 2014 position of c.20,500 net mineral acres to which the project’s Prospective P50 resource estimate of 301 million barrels of oil equivalent relates. Accordingly, to the extent that the leased acreage position remains below c.20,500 net mineral acres, a downward revision to the P50 Prospective Resource estimate will be warranted.
• Pantheon is currently in discussions with potential partners for a farm in to the project, with the objective of bringing in a third party to pay for the drilling of wells in exchange for a working interest in the project (and operatorship, where relevant).
• Strategy remains to drill enough wells to prove up acreage and sell.

The forthcoming 12 months should provide opportunity for regular operational activity and related news flow from Pantheon, and if successful, the potential for further value growth for Argo.

The board of Argo continues to seek and review further opportunities in the natural resources sector. In reviewing such acquisitions the Board always evaluates the potential upside of any acquisition, against the relative potential of its existing Pantheon shareholding. This evaluation requires the Board to recognise that any acquisition of a new project may require some form of dilution, most likely by way of an equity issue in some form, or the divestment of some of its Pantheon shareholding. Whilst the board of Argo gives no guarantee of continued success from Pantheon, it has yet to review a new project with comparable relative risk/reward, and remains committed to its Pantheon investment which it believes offers significant potential for capital appreciation.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
As at the 4th of September 2018 the fair value of the investment in Pantheon Resources Plc was $2,011,208, which is a loss in value from 30 June 2018 of $317,156.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
The consolidated entity will continue to explore mineral resource opportunities and funding opportunities in the future as well as continuing to manage its investment in Pantheon Resources Plc to add value.

Environmental regulation

The company currently has no exploration interests, however it had previously held participating interests in a number of mining and explorations tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agency during the year ended 30 June 2018.

Information on directors

Name:	Mr Christopher Martin
Title:	Non-Executive Director
Qualifications:	BBus, Banking & Finance
Experience and expertise:	Mr Martin has a Bachelor of Business (Banking & Finance), and over 20 years experience in the equities markets. He has acted as an independent Consultant to Argo Exploration Ltd since its inception.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Member of the Audit Committee
Interests in shares:	24,500,000 ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

Name:	Mr Justin Hondris
Title:	Non-Executive Director
Qualifications:	BBus
Experience and expertise:	Justin Hondris has over 20 years corporate experience in areas including international capital markets, private equity investment and institutional equities in both Australia and Europe. He is a director of Pantheon Resources Plc (AIM listed).
Other current directorships:	Pantheon Resources Plc, Executive Director
Former directorships (last 3 years):	Nil
Special responsibilities:	Chair of Audit Committee
Interests in shares:	13,400,000 ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

Name:	Mr Andrew Van Der Zwan
Title:	Non-Executive Director
Qualifications:	BA Chemical Engineering (with Honours)
Experience and expertise:	Andrew has 29 years' engineering and commercial experience, both locally and internationally. He was a Non-Executive Director of Gulfx Ltd for 2 years, Managing Director of MRG Metals for 2 years and remains on the Board of MRG today. He was employed in various senior positions within the worldwide operations of Exxon Mobil for 18 years.
Other current directorships:	MRG Metals Limited
Former directorships (last 3 years):	Titan Energy Ltd (resigned 30 April 2016)
Interests in shares:	15,495,773 ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretaries
Ms Leydin has 25 years' experience in the accounting profession and is a director and company secretary for a number of entities listed on the Australian Securities Exchange. She is a Chartered Accountant and a Registered Company Auditor. Since February 2000, she has been the principal of chartered accounting firm, Leydin Freyer, specialising in outsourced company secretarial and financial duties.

Justin Mouchacca holds a Bachelor of Business majoring in Accounting. He graduated from RMIT University in 2008, became a Chartered Accountant in 2011 and since July 2013 has been the principal of chartered accounting firm, Leydin Freyer, specialising in outsourced company secretarial and financial duties.

Justin has over 10 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Mr Andrew Van Der Zwan	4	4
Mr Justin Hondris	4	4
Mr Christopher Martin	4	4

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors.

ASX listing rules requires that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 16 May 2009, where the shareholders approved an aggregate remuneration of $300,000.

Executive remuneration
The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has two components:
- base pay and non-monetary benefits
- other remuneration such as superannuation

The combination of these comprises the executive's total remuneration.

Consolidated entity performance and link to remuneration
Remuneration packages do not include performance-based components. An individual member of staff's performance assessment is done by reference to their contribution to the Company's overall operational achievements. All Directors and Executives hold shares and options in the Company to facilitate goal congruence between Executives with that of the business and shareholders.

Voting and comments made at the company's 21 November 2017 Annual General Meeting ('AGM')
The company received 99.61% of 'for' votes in relation to its remuneration report for the year ended 30 June 2017. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

2018	Short-term benefits Cash salary and fees $	 Bonus $	 Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Termination payments $	Share-based payments Equity-settled options and rights $	 Total $
Non-Executive Directors:							
Mr J Hondris**	36,000	-	-	-	-	-	36,000
Mr C Martin**	36,000	-	-	-	-	-	36,000
Mr A Van Der Zwan**	36,000	-	-	-	-	-	36,000
Other Key Management Personnel:							
Ms M Leydin & Mr J Mouchacca *	54,000	-	-	-	-	-	54,000
	162,000	-	-	-	-	-	162,000

* This amount consists of fees payable to Leydin Freyer in respect of Company Secretarial and accounting services.
** No director's fees were paid in cash during the year, and continued to be accrued. At 30 June 2018 accrued fees due to Justin Hondris remain outstanding which amounted to $202,500. The accrued amounts due to Chris Martin and Andrew Van Der Zwan as at 30 June 2018 amount to $90,000 and $90,000 respectively.

2017	Short-term benefits Cash salary and fees $	 Bonus $	 Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits $	Share-based payments Equity-settled options and rights $	 Total $
Non-Executive Directors:							
Mr J Hondris**	36,000	-	-	-	-	-	36,000
Mr C Martin**	36,000	-	-	-	-	-	36,000
Mr A Van Der Zwan**	36,000	-	-	-	-	-	36,000
Other Key Management Personnel:							
Ms M Leydin & Mr J Mouchacca *	54,000	-	-	-	-	-	54,000
	162,000	-	-	-	-	-	162,000

* This amount consists of fees payable to Leydin Freyer in respect of Company Secretarial and accounting services.
** No director's fees were paid in cash during the year, and continued to be accrued. At 30 June 2017 accrued fees due to Justin Hondris remain outstanding which amounted to $166,500. The accrued amounts due to Chris Martin and Andrew Van Der Zwan as at 30 June 2017 amount to $54,000 and $54,000 respectively.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2018	Fixed remuneration 2017	At risk - STI 2018	At risk - STI 2017	At risk - LTI 2018	At risk - LTI 2017
Non-Executive Directors:						
Mr J Hondris	100%	100%	-	-	-	-
Mr C Martin	100%	100%	-	-	-	-
Executive Directors:						
Mr A Van Der Zwan	100%	100%	-	-	-	-
Other Key Management Personnel:						
Ms M Leydin & Mr J Mouchacca	100%	100%	-	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr C Martin
Title:	Non-Executive Director
Agreement commenced:	26 February 2013
Details:	(i) Mr Martin may resign from his position and thus terminate this contract by giving 6 months' written notice.(ii) The Company may terminate this employment agreement by providing one month's written notice.(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs Mr Martin is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.(iv) On termination of the agreement Mr Martin will be entitled to be paid those outstanding amounts owing to him up until the termination date.

Name:	Ms M Leydin & Mr J Mouchacca
Title:	Joint Company Secretaries and Chief Financial Officer's
Agreement commenced:	1 January 2009 (renewed 17 February 2010)
Details:	(i) Ms Leydin & Mr Mouchacca may resign from their position and thus terminate this contract by giving 6 months' written notice.(ii) The Company may terminate this employment agreement by providing 6 months' written notice.(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs Ms Leydin & Mr Mouchacca are only entitled to that portion of remuneration which is fixed, and only up to the date of termination.(iv) On termination of the agreement Ms Leydin & Mr Mouchacca will be entitled to be paid those outstanding amounts owing to them up until the termination date.

Name:	Mr A Van Der Zwan
Title:	Non-Executive Director
Agreement commenced:	19 March 2013
Details:	(i) Mr Van Der Zwan may resign from his positions and thus terminate this contract by giving 6 months' written notice.(ii) The Company may terminate this employment agreement by providing one month's written notice.(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs Mr Van Der Zwan is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.(iv) On termination of the agreement Mr Van Der Zwan will be entitled to be paid those outstanding amounts owing to him up until the termination date.

Name:	Mr J Hondris
Title:	Non-Executive Director
Agreement commenced:	renewed 17 April 2013
Details:	(i) Mr Hondris may resign from his position and thus terminate this contract by giving 6 months' written notice.(ii) The Company may terminate this employment agreement by providing one month's written notice.(iii) The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs Mr Hondris is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.(iv) On termination of the agreement Mr Hondris will be entitled to be paid those outstanding amounts owing to him up until the termination date.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2018.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Performance rights
There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2018.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2018 are summarised below:

	2018 $	2017 $	2016 $	2015 $	2014 $
Revenue	1,529	6,501	5,781	1,091	2,758
Net profit/(loss) before tax	(3,948,380)	(12,632,724)	14,560,137	225,562	(77,674)
Net profit/(loss) after tax	(3,948,380)	(10,762,046)	12,689,459	225,562	(77,674)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2018	2017	2016	2015	2014
Share price at financial year start ($)	0.02	0.08	0.01	0.01	0.02
Share price at financial year end ($)	0.01	0.02	0.08	0.01	0.01
Basic earnings / (loss) per share (cents per share)	(2.16)	(5.88)	7.95	0.18	(0.06)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr A Van Der Zwan	15,495,773	-	-	-	15,495,773
Mr J Hondris	13,400,000	-	-	-	13,400,000
Mr C Martin	23,820,000	-	680,000	-	24,500,000
Ms M Leydin & Mr J Mouchacca	2,000,000	-	-	-	2,000,000
	54,715,773	-	680,000	-	55,395,773

This concludes the remuneration report, which has been audited.

Shares under performance rights
There were no unissued ordinary shares of Argo Exploration Limited under performance rights outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Argo Exploration Limited issued on the exercise of options during the year ended 30 June 2018 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Grant Thornton Audit Pty Ltd
There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13.

Auditor
Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Mr Andrew Van Der Zwan
Non-Executive Director

6 September 2018
Melbourne

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Auditor's Independence Declaration

To the Directors of Argo Exploration Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Argo Exploration Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 6 September 2018

Argo Exploration Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Revenue	5	1,529	6,501
Fair value losses on financial assets at fair value through profit and loss	9	(3,709,181)	(12,317,114)
Expenses			
Corporate expenses		(71,145)	(89,832)
Administration expenses		(7,412)	(9,836)
Employee benefits expense		(162,171)	(222,443)
Loss before income tax benefit		(3,948,380)	(12,632,724)
Income tax benefit	6	-	1,870,678
Loss after income tax benefit for the year attributable to the owners of Argo Exploration Limited		(3,948,380)	(10,762,046)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Argo Exploration Limited		(3,948,380)	(10,762,046)
		Cents	**Cents**
Basic earnings per share	28	(2.16)	(5.88)
Diluted earnings per share	28	(2.16)	(5.88)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Argo Exploration Limited
Statement of financial position
As at 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Assets			
Current assets			
Cash and cash equivalents	7	41,418	178,502
Trade and other receivables	8	14,624	11,480
Financial assets at fair value through profit or loss	9	2,328,364	6,037,545
Other	10	6,386	5,586
Total current assets		2,390,792	6,233,113
Non-current assets			
Deferred tax	11	175,285	1,304,071
Total non-current assets		175,285	1,304,071
Total assets		2,566,077	7,537,184
Liabilities			
Current liabilities			
Trade and other payables	12	417,935	311,876
Total current liabilities		417,935	311,876
Non-current liabilities			
Deferred tax	13	175,285	1,304,071
Total non-current liabilities		175,285	1,304,071
Total liabilities		593,220	1,615,947
Net assets		1,972,857	5,921,237
Equity			
Issued capital	14	15,001,479	15,001,479
Accumulated losses		(13,028,622)	(9,080,242)
Total equity		1,972,857	5,921,237

The above statement of financial position should be read in conjunction with the accompanying notes

Argo Exploration Limited
Statement of changes in equity
For the year ended 30 June 2018

Consolidated	Contributed equity $	Accumulated losses $	Total equity $
Balance at 1 July 2016	15,001,479	1,681,804	16,683,283
Loss after income tax benefit for the year	-	(10,762,046)	(10,762,046)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(10,762,046)	(10,762,046)
Balance at 30 June 2017	15,001,479	(9,080,242)	5,921,237

Consolidated	Contributed equity $	Accumulated losses $	Total equity $
Balance at 1 July 2017	15,001,479	(9,080,242)	5,921,237
Loss after income tax expense for the year	-	(3,948,380)	(3,948,380)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(3,948,380)	(3,948,380)
Balance at 30 June 2018	15,001,479	(13,028,622)	1,972,857

The above statement of changes in equity should be read in conjunction with the accompanying notes

Argo Exploration Limited
Statement of cash flows
For the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Cash flows from operating activities			
Payments to suppliers and employees		(138,613)	(214,595)
Interest received		1,529	6,501
Net cash used in operating activities	27	(137,084)	(208,094)
Cash flows from investing activities			
Net cash from investing activities		-	-
Cash flows from financing activities			
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(137,084)	(208,094)
Cash and cash equivalents at the beginning of the financial year		178,502	386,596
Cash and cash equivalents at the end of the financial year	7	41,418	178,502

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Argo Exploration Limited as a consolidated entity consisting of Argo Exploration Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Argo Exploration Limited's functional and presentation currency.

Argo Exploration Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4
100 Albert Road
SOUTH MELBOURNE VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 6 September 2018. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The new, revised or amending Accounting Standards and Interpretations adopted do not have a material effect on the consolidated entity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going Concern

During the year ended 30 June 2018 the Company generated net operating cash outflows of $137,084 and had a closing cash balance of $41,418.

Note 2. Significant accounting policies (continued)

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to monitor the ongoing funding requirements of the consolidated entity. The Directors are confident that sufficient funds can be secured if required by a combination of capital raising and sale of assets to enable the consolidated entity to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

The Company also has the option to liquidate its position in Pantheon Resources Plc if there is insufficient funds being generated through capital raisings. As at 30 June 2018 the Company's investment in Pantheon Resources Plc was carried at the market rate $2,328,364 (2017: $6,037,545).

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 23.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Argo Exploration Limited ('company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Argo Exploration Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition
Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.
Impairment does not apply to financial assets at fair value through profit or loss.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Note 2. Significant accounting policies (continued)

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace AASB 139 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. There will be no impact on the carrying values or accounting treatment of investments held by Argo Exploration Limited as a result of this accounting standard being implemented.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.
The consolidated entity has adopted this standard from 1 July 2018, with no material impact from adoption as there are no contracts with customers.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.
The consolidated entity will adopt this standard from 1 July 2019, with no material impact from adoption.

Note 2. Significant accounting policies (continued)

Rounding of amounts
Argo Exploration Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

Identification of reportable operating segments
The Company operated predominately as an explorer for base precious metals, with the emphasis on copper, gold and uranium mineralisation within Australia.

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The board reviews the Company as a whole in the business segment of mineral exploration within Australia and managing its investment in Pantheon Resources Plc.

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Revenue

	Consolidated	
	2018	**2017**
	$	**$**
Interest revenue	1,529	6,501

Note 6. Income tax benefit

	Consolidated 2018 $	2017 $
Income tax benefit		
Deferred income tax expense / (benefit)	-	(1,870,678)
Aggregate income tax benefit	-	(1,870,678)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(3,948,380)	(12,632,724)
Tax at the statutory tax rate of 27.5% (2017: 30%)	(1,085,805)	(3,789,817)
Non-deductible expenses included in operating losses	1,030,449	-
Carry forward losses not recognised	55,356	1,906,832
Recognition/(reversal) of deferred tax balances excluding carried forward losses	-	12,307
Income tax benefit	-	(1,870,678)

Note 7. Current assets - cash and cash equivalents

	Consolidated 2018 $	2017 $
Cash at bank	27,398	64,748
Cash on deposit	14,020	113,754
	41,418	178,502

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Current assets - trade and other receivables

	Consolidated 2018 $	2017 $
Other receivables	-	224
GST receivable	14,624	11,256
	14,624	11,480

Due to the short term nature of the receivables their carrying value is assumed to approximate their fair value. No collateral or security is held. No interest is charged on the receivables. The consolidated entity has financial risk management policies in place to ensure that all receivables are received within the credit timeframe.

Accounting policy for trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Note 9. Current assets - financial assets at fair value through profit or loss

	Consolidated	
	2018	**2017**
	$	**$**
Shares in Pantheon Resources Plc.	2,328,364	6,037,545

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	6,037,545	18,354,559
Revaluation decrements	(3,709,181)	(12,317,014)
Closing fair value	2,328,364	6,037,545

Refer to note 17 for further information on fair value measurement.

Note 10. Current assets - other

	Consolidated	
	2018	**2017**
	$	**$**
Prepayments	6,386	5,586

Note 11. Non-current assets - deferred tax

	Consolidated	
	2018	**2017**
	$	**$**
Deferred tax asset	175,285	1,304,071

Deferred tax assets have been recognised in relation to the carry forward tax losses of the entity, to extent they are offset by the likely deferred tax payable on the gain on the Pantheon Resources investment.

As at 30 June 2018, Argo Exploration Limited had carry forward tax losses of $10,867,280. Of this, $631,225 has been recognised in the deferred tax asset.

A deferred tax asset of $175,285 has been recognised and a deferred tax liability of $175,285 has also been recognised (refer to Note 14).
As the decrease in the deferred tax assets and liabilities offset each other, no net deferred tax expense has been recognised.

Note 12. Current liabilities - trade and other payables

	Consolidated	
	2018	**2017**
	$	**$**
Trade payables	301,634	242,168
Sundry payables and accrued expenses	116,301	69,708
	417,935	311,876

Refer to note 16 for further information on financial instruments.

Note 12. Current liabilities - trade and other payables (continued)

The average credit period on purchases is 30 days. Due to the short term nature of the payables their carrying value is assumed to approximate their fair value. No interest is charged on the trade payables. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 13. Non-current liabilities - deferred tax

	Consolidated	
	2018 $	2017 $
Deferred tax liability	175,285	1,304,071

Deferred tax liabilities have been recognised in relation to the likely tax payable in relation to the consolidated entity's investment in Pantheon Resources Plc.

During the financial year a loss of $3,709,181 has been recognised through Fair Value Through Profit and Loss (FVTPL) following a decrease in the share price of Pantheon.

Note 14. Equity - issued capital

	Consolidated			
	2018 Shares	2017 Shares	2018 $	2017 $
Ordinary shares - fully paid	182,970,000	182,970,000	15,001,479	15,001,479

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 15. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 16. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		**Liabilities**	
Consolidated	**2018 $**	**2017 $**	**2018 $**	**2017 $**
Pound Sterling	1,311,800	3,570,000	-	-

* The financial assets noted in the table above relate to the investment in Pantheon Resources Plc in Pound Sterling, prior to conversion into Australian dollars.

The sensitivity to a reasonable possible change in the foreign exchange rate, with all other variables held constant, of the consolidated entity's profit before tax due to changes in the carrying value of monetary assets and liabilities at reporting date if the foreign exchange rate was to increase/(decrease) would be as follows: +5% $122,545 / -5% ($110,874).

Price risk
The consolidated entity is exposed to significant price risk in relation to its investment in Pantheon Resources Plc.

	Average price increase			**Average price decrease**		
Consolidated - 2018	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Shares in listed entity	50%	1,164,182	1,164,182	(50%)	(1,164,182)	(1,164,182)

	Average price increase			**Average price decrease**		
Consolidated - 2017	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Shares in listed entity	50%	3,018,773	3,018,773	50%	(3,018,773)	(3,018,773)

Note 16. Financial instruments (continued)

Interest rate risk
As at the reporting date, the consolidated entity had the following variable rate borrowings and interest rate swap contracts outstanding:

Consolidated	**2018** Weighted average interest rate %	**2018** Balance $	**2017** Weighted average interest rate %	**2017** Balance $
Cash at bank	1.65%	41,418	1.97%	178,502
Net exposure to cash flow interest rate risk		41,418		178,502

An decrease in interest rates of 20% or 0.55 percentage points would have an adverse effect on profit before tax of $228 per annum. The percentage is based on the expected volatility of interest rates using market data and analysis forecasts.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2018	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	417,935	-	-	-	417,935
Total non-derivatives		417,935	-	-	-	417,935

Consolidated - 2017	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	311,876	-	-	-	311,876
Total non-derivatives		311,876	-	-	-	311,876

Note 16. Financial instruments (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 17. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Shares in listed entities	2,328,364	-	-	2,328,364
Total assets	2,328,364	-	-	2,328,364

Consolidated - 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Shares in listed entities	6,037,545	-	-	6,037,545
Total assets	6,037,545	-	-	6,037,545

There were no transfers between levels during the financial year.

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 18. Key management personnel disclosures

Directors
The following persons were directors of Argo Exploration Limited during the financial year:

Mr J Hondris (Non-Executive Director)
Mr A Van Der Zwan (Non-Executive Director)
Mr C Martin (Non-Executive Director)

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Ms M Leydin (Joint Company Secretary)
Mr J Mouchacca (Joint Company Secretary)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2018 $	2017 $
Short-term employee benefits	162,000	162,000

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2018 $	2017 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	22,750	20,500

Note 20. Contingent liabilities

The consolidated entity does not have any contingent liabilities at reporting date.

Note 21. Commitments

As at 30 June 2018 the Company does not have any commitments, including any commitments for expenditure on Exploration tenements (2017:NIL).

Note 22. Related party transactions

Parent entity
Argo Exploration Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 24.

Key management personnel
Disclosures relating to key management personnel are set out in note 18 and the remuneration report included in the directors' report.

Note 22. Related party transactions (continued)

Transactions with related parties
Transactions with Director Related Entities

There were no transactions with Director related entities during the financial year, other than:

A Director of the Company, Mr Justin Hondris, is also an Executive Director of AIM-listed Pantheon Resources Plc ("Pantheon" AIM Code: PANR). The Company acquired a shareholding in Pantheon of 7 million shares during the reporting period ended 30 June 2010. Mr Hondris was excluded from all decisions, analysis and voting on the acquisition of the original investment in Pantheon and will continue to be excluded from future decisions relating to purchases or disposals of shares in Pantheon. The investment comprised 7 million shares at £0.1325 per share for an original investment of £927,500.

As at 9 August 2018, Mr Justin Hondris and his spouse currently hold 1,181,511 ordinary shares in Pantheon Resources Plc, representing a 0.5% holding of the Pantheon's issued capital.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2018 **$**	**2017** **$**
Current payables:		
Directors fees payable - Mr J Hondris	202,500	166,500
Directors fees payable - Mr A Van Der Zwan	90,000	54,000
Directors fees payable - Mr C Martin (payable to Millwest Investments Pty Ltd)	90,000	54,000

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2018 **$**	**2017** **$**
Loss after income tax	(3,948,127)	(10,762,046)
Total comprehensive income	(3,948,127)	(10,762,046)

Note 23. Parent entity information (continued)

Statement of financial position

	Parent 2018 $	Parent 2017 $
Total current assets	2,390,792	6,233,113
Total assets	2,566,077	7,537,185
Total current liabilities	417,935	311,876
Total liabilities	593,220	1,615,948
Equity		
Issued capital	15,001,479	15,001,479
Accumulated losses	(13,028,622)	(9,080,242)
Total equity	1,972,857	5,921,237

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 2018 and 2017.

Contingent liabilities
The parent entity had no contingent liabilities as at 2018 and 2017.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 2018 and 2017.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

Note 24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2018 %	Ownership interest 2017 %
Olympic Resources Limited *	Australia	100.00%	100.00%
Athena Mines Pty Ltd	Australia	100.00%	100.00%

* The wholly-owned subsidiary has entered into a deed of cross guarantee with Argo Exploration Limited pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and is relieved from the requirements to prepare and lodge an audited financial report. The deed of cross guarantee was signed on 1 June 2009.

Note 25. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Argo Exploration Limited
Olympic Resources Limited

Note 25. Deed of cross guarantee (continued)

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Argo Exploration Limited, they also represent the 'Extended Closed Group'.

The statement of profit or loss and other comprehensive income and statement of financial position are substantially the same as the consolidated entity and therefore have not been separately disclosed.

Note 26. Events after the reporting period

As at the 4th of September 2018 the fair value of the investment in Pantheon Resources Plc was $2,011,208, which is a loss in value from 30 June 2018 of $317,156.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 27. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2018 $	2017 $
Loss after income tax benefit for the year	(3,948,380)	(10,762,046)
Adjustments for:		
Fair value adjustment for fair value investments through profit and loss	3,709,182	12,317,114
Change in operating assets and liabilities:		
Increase in trade and other receivables	(3,290)	(2,330)
Decrease in deferred tax assets	633,864	1,825,088
Increase in other assets	(323)	-
Increase in trade and other payables	105,727	109,846
Decrease in deferred tax liabilities	(633,864)	(3,695,766)
Net cash used in operating activities	(137,084)	(208,094)

Note 28. Earnings per share

	Consolidated	
	2018 $	2017 $
Loss after income tax attributable to the owners of Argo Exploration Limited	(3,948,380)	(10,762,046)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	182,970,000	182,970,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	182,970,000	182,970,000

Note 28. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(2.16)	(5.88)
Diluted earnings per share	(2.16)	(5.88)

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Argo Exploration Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Argo Exploration Limited
Directors' declaration
30 June 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 25 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A.V. 'L

Mr Andrew Van Der Zwan
Non-Executive Director

6 September 2018
Melbourne

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Independent Auditor's Report

To the Members of Argo Exploration Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Argo Exploration Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Company had net operating cash outflows of $137,084 during the year and had a closing cash balance of $41,418 at 30 June 2018. The going concern of the Company is dependent upon it maintaining sufficient funds for its operations and commitments. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Financial assets at fair value through profit or loss (Note 9)	
Argo Exploration holds shares in an entity listed on the London Stock Exchange. They are treated as fair value through profit or loss (FVPL) therefore movements in the fair value of this investment are recognised in the statement of profit or loss. There is a risk that the investment has not been valued appropriately and that the fair value movement has not been appropriately recorded. This area is a key audit matter as this investment is the most significant asset on the balance sheet. The investment has had a history of significant fluctuation in value and although the shares are held on a recognised stock exchange, the valuation needs to consider the depth of the market in assessing fair value at balance date.	Our procedures included, amongst others: • agreeing the share price used in the valuation at 30 June 2018 to the London Stock Exchange (LSE); • assessing the depth of the market to ensure that the holding is able to be realised in line with the current share price; • testing the mathematical accuracy of the fair value calculation; • ensuring the classification of the investment and treatment of fair value movement is appropriate and in accordance with applicable Australian Accounting Standards; and • assessing the adequacy of the financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Grant Thornton

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Argo Exploration Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 6 September 2018

Argo Exploration Limited
Shareholder information
30 June 2018

The shareholder information set out below was applicable as at 28 August 2018.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	21
1,001 to 5,000	75
5,001 to 10,000	97
10,001 to 100,000	259
100,001 and over	167
	619
Holding less than a marketable parcel	367

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Millwest Investments Pty Ltd (Millwest A/C)	21,000,000	11.48
Hawthorn Grove Investments Pty Ltd	19,000,000	10.38
Mrs Kathryn Van Der Zwan (Harleston Family A/C)	15,495,773	8.47
Mr Justin George Hondris	13,400,000	7.32
Octopi Enterprises Pty Ltd	5,300,000	2.90
HSBC Custody Nominees (Australia) Limited	5,109,428	2.79
Bushline Pty Ltd (Hutton Family A/C)	5,000,000	2.73
Mejulie Pty Ltd (Hutton Retirement A/C)	3,000,000	1.64
BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient DRP)	2,788,488	1.52
Mr John Stergiou and Mrs Kathy Stergiou (Argyri Family A/C)	2,500,000	1.37
Citicorp Nominees Pty Limited	2,455,617	1.34
Mr Anthony Brendon Cope & Mrs Amanda Gay Cope (Coper Retirement Fund A/C)	2,222,560	1.21
Rojul Nominees Pty Ltd (RR Martin Super Fund A/C)	2,000,000	1.09
Tmena Pty Ltd (Combivan Pty Ltd Account)	2,000,000	1.09
Mrs June Maureen Hondris	2,000,000	1.09
Dr Henry Martin Stenning	2,000,000	1.09
Allua Holdings Pty Ltd (The DRG A/C)	2,000,000	1.09
Mr Bryce Kennedy	1,837,500	1.00
Mark Casey Super Pty Ltd (Mark Casey A/C)	1,650,000	0.90
Mr Francesco Cusmano	1,550,000	0.85
	112,309,366	61.35

Unquoted equity securities
There are no unquoted equity securities.

Argo Exploration Limited
Shareholder information
30 June 2018

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	**% of total shares issued**
Mr Chris Martin	24,500,000	13.39
Hawthorn Grove Investments Pty Ltd	19,000,000	10.38
Mrs Kathryn Van Der Zwan (Harleston Family A/C)	15,495,773	8.47
Mr Justin George Hondris	13,400,000	7.32

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.