

# **Argo Exploration Limited**

**ABN 38 120 917 535**

## **Half-year Financial Report - 31 December 2021**

**Argo Exploration Limited**

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**31 December 2021**

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**Argo Exploration Limited**  
**Corporate directory**  
**31 December 2021**

Directors	Andrew Van Der Zwan (Non-Executive Director) Justin Hondris (Non-Executive Director) Christopher Martin (Non-Executive Director)
Company secretary	Melanie Leydin
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205 Telephone: +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 (+61 8) 9389 8033
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Melbourne VIC 3008
Stock exchange listing	Argo Exploration Limited shares were listed on the Australian Securities Exchange (ASX code: AXT) until 27 August 2021 where they were removed from official quotation.
Website	<a href="http://www.argoexploration.com.au">www.argoexploration.com.au</a>

**Argo Exploration Limited**  
**Directors' report**  
**31 December 2021**

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 half-year ended 31 December 2021.

**Directors**

The following persons were directors of Argo Exploration Limited during the whole of the financial half-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 half-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.

**Review of operations**

The profit for the consolidated entity after providing for income tax amounted to \$3,989,803 (31 December 2020: \$3,217,753).

The net assets of the consolidated entity increased by \$3,989,803 to \$8,054,548 as at 31 December 2021 (30 June 2021: \$4,064,745). The increase in net assets was due primarily to the increase in the carrying amount of the Company's investment in Pantheon Resources Plc, which increased by \$3,916,420. The consolidated entity's working capital, being current assets less current liabilities increased by \$3,989,803 to \$8,054,548 (30 June 2021: \$4,064,745).

The Company's primary asset is a holding of 6,000,000 shares in AIM Listed Oil & Gas Explorer Pantheon Resources plc ("Pantheon"), being 1% of the issued ordinary capital in Pantheon.

Pantheon is an AIM listed oil and gas company with a 100% working interest in a number of high impact appraisal and exploration assets, spanning over 150,000 acres, mostly covered by modern 3D seismic, located on the North Slope of Alaska, onshore USA. Pantheon's projects are advantageously located immediately adjacent to transportation infrastructure, being the Trans Alaska Pipeline System and the Dalton Highway, offering it tremendous advantages in terms of cost, logistics and shorter development horizons compared to all other undeveloped projects on the Alaska North Slope. The period from 30 June 2021 to 31 December 2021, and the period beyond was one of further achievement for Pantheon. Most notably, in December 2021 Pantheon successfully raised US\$96m, comprising US\$41m in equity and US\$55m through the issuance of an unsecured convertible bond. The funds raised allowed Pantheon to fund a 3 well operational programme which included testing of the Talitha #A well, drilling and testing of the Theta West #1 well and the intended drilling, testing and long term production testing of the Alkaid #2 well, planned for mid 2022.

In the Talitha #A well, Pantheon successfully flow tested the Basin Floor Fan sequence (BFF) which flowed high quality light oil at a sustained rate of 40 barrels of oil per day (BOPD), which Pantheon believes has very positive implications for the drilled and soon to be tested Theta West #1 well located 10.5 miles (16.8 km's) away, in what is believed to be a more optimal updip location for the BFF. The Talitha #1 well also positively flow tested the shallower Slope Fan System sequence, which is now believed to extend into the Alkaid project. Unfortunately, when testing the shallowest Shelf Margin Deltaic (SMD) sequence, the well was shut in for a 3 day period due to a blizzard, immediately after fracture stimulation, and upon resuming operations the well encountered what is believed to be a blockage. Given the late stage of the drilling season the testing equipment is being mobilised to the higher priority Theta West location where it will undertake testing operations on the BFF sequence, and if sufficient time remains in the season the rig may be relocated back to Talitha to undertake remediation works on the blockage at that well.

Prior to the 2022 activities, Pantheon estimated its Theta West project to have potential to contain 12 billion barrels of oil in place ("OIP") and a 1.4 billion barrels of oil recoverable which they believe to meet the classification of Contingent Resource. Additionally, Pantheon estimated that the SMD-B horizon has the potential to contain 2.6 billion barrels of oil in place ("OIP") and over 400 million barrels of oil recoverable which they believe meets the classification of Contingent Resource. Following the drilling season it is anticipated that Pantheon will reassess these resource estimates. Further details can be found at Pantheon's website at [www.pantheonresources.com](http://www.pantheonresources.com).

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.

**Argo Exploration Limited**  
**Directors' report**  
**31 December 2021**

**Significant changes in the state of affairs**

On 13 July 2021, the company announced that it had sold 200,000 fully paid ordinary shares in its listed investment, Pantheon Resources Plc (Pantheon), to fund general working capital. The consideration for the sale was approximately \$192,789 (before costs of disposal).

On 26 August 2021, the Company decided to be removed from the ASX official list after close of business on Friday, 27 August 2021.

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

**Matters subsequent to the end of the financial half-year**

As at 09 March 2022, the fair value of the investment in Pantheon Resources Plc was \$12,879,524 which is an increase in value since 31 December 2021 of \$4,252,292.

**COVID-19 update:**

The company continues to closely monitor the global economic impact of COVID-19. As of the date of this report, the company is unaware of any additional factors suggesting a substantial financial impact on top of those described earlier in the Directors' report.

No other matter or circumstance has arisen since 31 December 2021 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.

**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 5.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Mr Andrew Van Der Zwan  
Non-Executive Director

11 March 2022  
Melbourne

## 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 review of Argo Exploration Limited for the half-year ended 31 December 2021, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 11 March 2022

**Argo Exploration Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Income</b>			
Interest revenue		14	110
Fair value gains / (losses) of financial assets through profit or loss	4	4,109,209	3,343,678
<b>Expenses</b>			
Corporate expenses		(59,481)	(68,449)
Other expenses		(59,939)	(57,586)
<b>Profit before income tax expense</b>		<b>3,989,803</b>	<b>3,217,753</b>
Income tax expense	5	-	-
<b>Profit after income tax expense for the half-year attributable to the owners of Argo Exploration Limited</b>		<b>3,989,803</b>	<b>3,217,753</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of Argo Exploration Limited</b>		<b><u>3,989,803</u></b>	<b><u>3,217,753</u></b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	12	1.97	1.65
Diluted earnings per share	12	1.97	1.65

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

**Argo Exploration Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December</b>	<b>30 June 2021</b>
		<b>2021</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		164,731	64,054
Trade and other receivables		49,696	40,371
Financial assets at fair value through profit or loss	6	8,627,232	4,710,812
Other		28,181	11,949
<b>Total current assets</b>		<u>8,869,840</u>	<u>4,827,186</u>
<b>Total assets</b>		<u>8,869,840</u>	<u>4,827,186</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		815,292	762,441
<b>Total current liabilities</b>		<u>815,292</u>	<u>762,441</u>
<b>Total liabilities</b>		<u>815,292</u>	<u>762,441</u>
<b>Net assets</b>		<u>8,054,548</u>	<u>4,064,745</u>
<b>Equity</b>			
Issued capital	7	15,200,555	15,200,555
Accumulated losses		<u>(7,146,007)</u>	<u>(11,135,810)</u>
<b>Total equity</b>		<u>8,054,548</u>	<u>4,064,745</u>

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

**Argo Exploration Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2021**

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	15,119,447	(14,116,620)	1,002,827
Profit after income tax expense for the half-year	-	3,217,753	3,217,753
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	3,217,753	3,217,753
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs	60,000	-	60,000
Balance at 31 December 2020	<u>15,179,447</u>	<u>(10,898,867)</u>	<u>4,280,580</u>
<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	15,200,555	(11,135,810)	4,064,745
Profit after income tax expense for the half-year	-	3,989,803	3,989,803
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	3,989,803	3,989,803
Balance at 31 December 2021	<u>15,200,555</u>	<u>(7,146,007)</u>	<u>8,054,548</u>

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

**Argo Exploration Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2021**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(91,699)	(69,311)
Interest received	14	85
	<u>(91,685)</u>	<u>(69,226)</u>
Net cash used in operating activities		
<b>Cash flows from investing activities</b>		
Proceeds from disposal of investments	192,362	-
	<u>192,362</u>	<u>-</u>
Net cash from investing activities		
	<u>-</u>	<u>-</u>
Net cash from financing activities		
	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	100,677	(69,226)
Cash and cash equivalents at the beginning of the financial half-year	64,054	100,382
	<u>164,731</u>	<u>31,156</u>
Cash and cash equivalents at the end of the financial half-year		

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

**Argo Exploration Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**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 half-year. The financial statements are presented in Australian dollars, which is Argo Exploration Limited's functional and presentation currency.

Argo Exploration Limited is an unlisted 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 11 March 2022. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Going concern**

During the half-year ended 31 December 2021, the Company incurred net operating cash outflows of \$91,685 and had cash and cash equivalents balance of \$164,731 as at 31 December 2021.

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/or sale of Pantheon Resources Plc to enable the consolidated entity to continue as a going concern.

The Company has the option to liquidate its position in Pantheon Resources Plc if there is insufficient funds being generated through capital raisings. As at 31 December 2021 the Company's investment in Pantheon Resources Plc was carried at the market rate of \$8,627,232 (30 June 2021: \$4,710,812).

**Argo Exploration Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 2. Significant accounting policies (continued)**

On 26 August 2021, the company announced that after careful consideration, and in-line with the Company's strategic decision to continue to hold the majority of its investment in Pantheon Resources Plc at the current time, the Company has decided to be removed from the ASX official list after close of business on Friday, 27 August 2021 due to non-payment of the ASX Annual Listing fee. The Company carefully considered its options regarding the way in which it could be removed from the ASX official list, including the various cost savings under each scenario.

The Directors have no intention of winding up the Company and the Company intends on operating in the same way as an unlisted public Company.

There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and International economies and, as such, may have a deleterious effect on the going concern of the operations of the company.

The Directors are therefore of the opinion that the financial report has been appropriately prepared on a going concern basis.

**Note 3. Operating segments**

*Identification of reportable operating segments*

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.

*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 4. Fair value gains / (losses) of financial assets through profit or loss**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Unrealised gain / (loss) on value of investments	4,068,382	3,343,678
Realised gain / (loss) on value of investments	40,827	-
	<u>4,109,209</u>	<u>3,343,678</u>

**Note 5. Income tax expense**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	<u>3,989,803</u>	<u>3,217,753</u>
Tax at the statutory tax rate of 30% (2020: 26%)	1,196,941	836,616
Non-deductible expenses/ non-assessable income included in operating losses	(1,082,683)	(882,465)
Previously unrecognised tax losses now recouped to reduce current tax expense	<u>(114,258)</u>	<u>45,849</u>
Income tax expense	<u>-</u>	<u>-</u>

**Argo Exploration Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 5. Income tax expense (continued)**

	<b>Consolidated 31 December 2021 \$</b>	<b>Consolidated 30 June 2021 \$</b>
<i>Deferred tax included in income tax expense comprises:</i>		
(Increase)/decrease in deferred tax assets	(1,317,946)	(826,705)
Increase/(decrease) in deferred tax liabilities	1,317,946	826,705
	<u>-</u>	<u>-</u>
	<b>Consolidated 31 December 2021 \$</b>	<b>Consolidated 30 June 2021 \$</b>
Deferred tax assets	2,153,376	835,430
Deferred tax liabilities	(2,153,376)	(835,430)
Net deferred tax	<u>-</u>	<u>-</u>

**Note 6. Current assets - financial assets at fair value through profit or loss**

	<b>Consolidated</b>	
	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
Shares in listed entity	<u>8,627,232</u>	<u>4,710,812</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:		
Opening fair value	4,710,812	1,577,658
Disposals	(192,789)	(109,990)
Revaluation increments	4,109,209	3,243,144
Closing fair value	<u>8,627,232</u>	<u>4,710,812</u>

**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 - December 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total
Assets				
Shares in listed entities	<u>8,627,232</u>	<u>-</u>	<u>-</u>	<u>8,627,232</u>

**Argo Exploration Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 6. Current assets - financial assets at fair value through profit or loss (continued)**

Consolidated - June 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Shares in listed entities	<u>4,710,812</u>	<u>-</u>	<u>-</u>	<u>4,710,812</u>

There were no transfers between levels during the period.

**Note 7. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 December 2021</b>	<b>30 June 2021</b>	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>202,470,000</u>	<u>202,470,000</u>	<u>15,200,555</u>	<u>15,200,555</u>

*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.

*Share buy-back*

There is no current on-market share buy-back.

**Note 8. Equity - dividends**

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

**Note 9. Contingent liabilities**

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

**Note 10. Commitments**

The consolidated entity had no commitments at the reporting date.

**Note 11. Events after the reporting period**

As at 09 March 2022, the fair value of the investment in Pantheon Resources Plc was \$12,879,524 which is an increase in value since 31 December 2021 of \$4,252,292.

*COVID-19 update:*

The company continues to closely monitor the global economic impact of COVID-19. As of the date of this report, the company is unaware of any additional factors suggesting a substantial financial impact on top of those described earlier in the Directors' report.

No other matter or circumstance has arisen since 31 December 2021 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.

**Argo Exploration Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 12. Earnings per share**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax attributable to the owners of Argo Exploration Limited	<u>3,989,803</u>	<u>3,217,753</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>202,470,000</u>	<u>195,214,565</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>202,470,000</u>	<u>195,214,565</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	1.97	1.65
Diluted earnings per share	1.97	1.65

**Argo Exploration Limited**  
**Directors' declaration**  
**31 December 2021**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'A.V. Zwan', is enclosed in a thin black rectangular border.

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Mr Andrew Van Der Zwan  
Non-Executive Director

11 March 2022  
Melbourne

# Independent Auditor's Review Report

## To the Members of Argo Exploration Limited

### Report on the review of the half-year financial report

#### Conclusion

We have reviewed the accompanying half year financial report of Argo Exploration Limited (the company) and its subsidiaries (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Argo Exploration Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Argo Exploration Limited's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the consolidated entity had net operating cash outflows of \$91,685 and a cash balance of \$164,731 as at 31 December 2021. The going concern of the consolidated entity 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 consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Directors' responsibility for the half-year financial report

The Directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 11 March 2022