

# **Argo Exploration Limited**

**ABN 38 120 917 535**

**Annual Report - 30 June 2023**

**Argo Exploration Limited**  
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**30 June 2023**



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Directors	Andrew Van Der Zwan (Non-Executive Director) Justin Hondris (Non-Executive Director) Christopher Martin (Non-Executive Director)
Company secretary	Stefan Ross (appointed on 27 October 2023)
Registered office	Level 4 96-100 Albert Road South Melbourne VIC 3205 Tel: +61 3 9692 7222 Fax: +61 3 9077 9233
Principal place of business	Level 4 96-100 Albert Road South Melbourne VIC 3205
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Melbourne VIC 3008
Website	<a href="http://www.argoexploration.com.au">www.argoexploration.com.au</a>

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 2023.

### **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 year ended 30 June 2023 the consolidated entity's principal activities consisted of reviewing potential investments in exploration and development of resource 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 \$7,353,337 (30 June 2022: profit of \$4,703,515).

Included in the loss after income tax for the year is a non-cash, fair value adjustment of (\$7,109,275) relating to the decrease in the carrying amount of the consolidated entity's investment in Pantheon Resources plc (30 June 2022: FV gain of \$4,940,626), which consists of a (\$7,417,836) unrealised loss on the carrying amount of the investment and a \$308,561 realised gain, as a result of shares sold during the year.

The net assets of the consolidated entity decreased by \$7,353,337 to \$1,414,923 as at 30 June 2023 (30 June 2022: \$8,768,260) and its working capital, being current assets less current liabilities decreased by \$7,353,337 to \$1,414,923 (30 June 2022: \$8,768,260). The closing cash balance as at 30 June 2023 amounted to \$294,738 (30 June 2022: \$89,035)

At 30 June 2023 the consolidated entity holds 6,500,000 shares (30 June 2022: 6,000,000) in AIM Listed Oil & Gas Explorer Pantheon Resources plc ("Pantheon"), representing 0.77% 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 193,000 acres located on the Alaska North Slope, onshore USA. Pantheon's projects are advantageously located immediately adjacent to Alaska's primary oil transportation infrastructure, being the Trans Alaska Pipeline System ("TAPS") and the Dalton Highway, offering it tremendous advantages in terms of cost, logistics and shorter potential development horizons compared to all other undeveloped projects on the Alaska North Slope. In December 2023 Pantheon announced it had been awarded a further 66,240 acres in the 2023 lease sales. The new acres represent the completion of Pantheon's multi year leasing programme. The period from 1 July 2022 to 30 June 2023, and the period beyond was one of great achievement for Pantheon, although it was not without its challenges. During the year SLB (previously Schlumberger) completed Phase 1 of their reservoir modelling project, estimating Pantheon's acreage to contain 17.8 billion barrels of oil in place. Netherland Sewell & Associates completed an Independent Expert Report on the Kodiak project, estimating a 2C Contingent Resource of 962.5 million barrels of marketable liquids. The Alkaid-2 well encountered issues during testing, however analysis now confirms that Alkaid-2 supports the case for economic viability of full field developments of Pantheon's projects. Pantheon provided an updated corporate strategy with an objective to deliver financial self-sufficiency and a sustainable recognition of a value of \$5 - \$10 per barrel of 1C/1P recoverable resources by 2028. Further details can be found at Pantheon's website at [www.pantheonresources.com](http://www.pantheonresources.com).

### **Risks and uncertainties**

The Company is subject to risks that are specific to the Company and the Company's business activities, as well as general risks.

#### *Future funding risks*

Whilst the Company has a cash and cash equivalents balance of \$294,738 and net assets of \$1,414,923 and is able to continue on a going concern basis, there is a risk that the Company may require substantial additional financing in the future to sufficiently fund any potential exploration and development resource acquisition in addition to general working capital needs and any other longer-term objectives. The Company has the ability to maintain its liquidity through the sale of investments held at Pantheon Resources plc ("Pantheon" AIM Code: "PANR") in conjunction with the ability to control the level of its current operations and hence the level of its expenditure over the next 12 months. Management is confident that they can manage the level of expenditure in order to maintain an appropriate liquidity level. The Company's ability to raise additional funding either through the sale of its shares in Pantheon or through capital financing will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. If for any reason the Company was unable to raise future funds when required, its operations could be significantly affected.

The Directors regularly review the spending pattern and ability to raise additional funding to ensure the Company's ability to generate sufficient cash inflows to settle its creditors and other liabilities.

#### *Financial asset investments risks*

The Company's main asset is its investment in AIM-listed Pantheon Resources plc ("Pantheon" AIM Code: "PANR"). The stock market, and in particular, the market for mining explorers, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. The price at which the Shares are quoted on AIM may increase or decrease due to a number of factors outside Pantheon's control and which are not explained by the fundamental operations and activities of Pantheon, including unpredictable influences on the market for securities in general and mining exploration stocks in particular. These factors may materially affect the market price of the Shares, regardless of Pantheon's operational performance. As a result, these factors may materially impact the carrying value of Financial assets held by the Company.

The Directors regularly review the carrying value of the Company's Financial assets, including regularly monitoring Pantheon's performance via its announcements platform, general global market conditions, and macro-economic conditions.

#### *Taxation risks*

Changes in tax law, or changes in the way tax laws are interpreted may impact the tax liabilities of the Company, Shareholder returns, or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. Tax law is frequently being changed, both prospectively and retrospectively. Any actual or alleged failure to comply with, or any change in the application or interpretation of tax rules applied in respect of such transactions, may increase the Company's tax liabilities.

The Company utilises expert consultants in relation to taxation in order to determine appropriate taxation treatment.

#### *IT system failure and cyber security risks*

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

The Company is committed to preventing and reducing cyber security risks through outsourced IT management to a reputable services provider.

#### **Significant changes in the state of affairs**

On 18 August 2022, the company sold 500,000 fully paid ordinary shares in its listed investment for \$1,096,782, Pantheon Resources Plc (Pantheon), to fund general working capital. Pursuant to Company policy, Mr Hondris was excluded from all discussions regarding this sale and accordingly provided no input, advice or opinion on the transaction, and was only informed of the transaction after the transaction had occurred.

On 16 May 2023, the Company purchased 1,000,000 fully paid ordinary shares in its listed investment, Pantheon Resources Plc (Pantheon) for \$321,027 (USD \$212,423.50).

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

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

On 8 September 2023, the company sold 500,000 fully paid ordinary shares in its listed investment for \$234,555, Pantheon Resources Plc (Pantheon), to fund general working capital. Pursuant to Company policy, Mr Hondris was excluded from all discussions regarding this sale and accordingly provided no input, advice or opinion on the transaction, and was only informed of the transaction after the transaction had occurred.

As at 19 March 2024, the fair value of the investment in Pantheon Resources Plc was \$3,153,097, an increase in value since 30 June 2023 of \$1,579,477.

No other matter or circumstance has arisen since 30 June 2023 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. Given the nature of the Consolidated Entity's current operations, the Directors are not aware of any breaches of mining and environmental regulations and legislations during the financial year.

### **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.  
Special responsibilities: Member of the Audit Committee

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 and private equity in both Australia and Europe. He is a director of Pantheon Resources Plc (AIM listed).  
Special responsibilities: Chair of Audit Committee

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.

### **Company secretary**

Mr Stefan Ross – BBus (Acc) (appointed on 27 October 2023)

Mr Ross has over 10 years of experience in accounting and secretarial services for ASX listed companies. His extensive experience includes ASX compliance, corporate governance control and implementation, statutory financial reporting, shareholder meeting requirements, capital raising management, and board and secretarial support. Stefan has a Bachelor of Business majoring in Accounting.

Ms Melanie Leydin – BBus (Acc. Corp Law) CA FGIA (resigned on 27 October 2023)

Melanie Leydin has over 30 years' experience in the accounting profession and over 20 years' experience as a Company Director, including as nominated Company Secretary of ASX listed entities. She 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, initial public offerings, secondary raisings and shareholder relations.

Melanie hold a Bachelor of Business majoring in Accounting and Corporate Law. She is a Member of the Institute of Chartered Accountants, and a Fellow of the Governance Institute of Australia and is a Registered Company Auditor. Melanie founded and was principal of a renowned Australian professional services firm from February 2000. In November 2021 Vistra Group acquired that business and Melanie is now Vistra Australia's Managing Director.

#### **Meetings of directors**

There were no meetings of directors held during the year ended 30 June 2023.

#### **Shares under option**

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

#### **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 2023 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 no-audit services provided during the financial year by the auditors.

#### **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 7.

#### **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

A handwritten signature in black ink, appearing to read "A.V.Z.", written over a horizontal line.

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Mr Andrew Van Der Zwan  
Non-Executive Director

20 March 2024  
Melbourne



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**Grant Thornton Audit Pty Ltd**

Level 22 Tower 5  
Collins Square  
727 Collins Street  
Melbourne VIC 3008  
GPO Box 4736  
Melbourne VIC 3001  
T +61 3 8320 2222

## 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 and its controlled entities for the year ended 30 June 2023, 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 Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 20 March 2024

**Argo Exploration Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**



	Note	Consolidated June 2023 \$	June 2022 \$
<b>Income</b>			
Interest revenue		10,180	36
Fair value (losses)/gains of financial assets through profit and loss	4	(7,109,275)	4,940,626
<b>Expenses</b>			
Corporate expenses		(130,011)	(118,154)
Other expenses		(16,231)	(10,993)
Directors fees		(108,000)	(108,000)
<b>(Loss)/Profit before income tax expense</b>		(7,353,337)	4,703,515
Income tax expense	5	-	-
<b>(Loss)/Profit after income tax expense for the year attributable to the owners of Argo Exploration Limited</b>		(7,353,337)	4,703,515
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the owners of Argo Exploration Limited</b>		<u>(7,353,337)</u>	<u>4,703,515</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	22	(3.63)	2.32
Diluted loss per share	22	(3.63)	2.32

*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 2023



	Note	Consolidated June 2023 \$	June 2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	294,738	89,035
Other receivables		15,161	43,405
Financial assets at fair value through profit or loss	7	1,573,619	9,458,649
Other		13,522	11,144
<b>Total current assets</b>		<u>1,897,040</u>	<u>9,602,233</u>
<b>Total assets</b>		<u>1,897,040</u>	<u>9,602,233</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accrued expenses and other payables		482,117	833,973
<b>Total current liabilities</b>		<u>482,117</u>	<u>833,973</u>
<b>Total liabilities</b>		<u>482,117</u>	<u>833,973</u>
<b>Net assets</b>		<u>1,414,923</u>	<u>8,768,260</u>
<b>Equity</b>			
Issued capital	8	15,200,555	15,200,555
Accumulated losses		(13,785,632)	(6,432,295)
<b>Total equity</b>		<u>1,414,923</u>	<u>8,768,260</u>

*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 2023**



<b>Consolidated</b>	<b>Contributed equity</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2021	15,200,555	(11,135,810)	4,064,745
Profit after income tax expense for the year	-	4,703,515	4,703,515
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	4,703,515	4,703,515
Balance at 30 June 2022	<u>15,200,555</u>	<u>(6,432,295)</u>	<u>8,768,260</u>
	<b>Contributed equity</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
<b>Consolidated</b>			
Balance at 1 July 2022	15,200,555	(6,432,295)	8,768,260
Loss after income tax expense for the year	-	(7,353,337)	(7,353,337)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(7,353,337)	(7,353,337)
Balance at 30 June 2023	<u>15,200,555</u>	<u>(13,785,632)</u>	<u>1,414,923</u>

*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 2023**



	<b>Note</b>	<b>Consolidated</b>	<b>Consolidated</b>
		<b>June 2023</b>	<b>June 2022</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(580,206)	(167,844)
Interest received		10,154	37
		<u>                    </u>	<u>                    </u>
Net cash used in operating activities	21	<u>(570,052)</u>	<u>(167,807)</u>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of investments	7	1,096,782	192,788
Purchase of investments		(321,027)	-
		<u>                    </u>	<u>                    </u>
Net cash from investing activities		<u>775,755</u>	<u>192,788</u>
		<u>                    </u>	<u>                    </u>
Net cash from financing activities		-	-
		<u>                    </u>	<u>                    </u>
Net increase in cash and cash equivalents		205,703	24,981
Cash and cash equivalents at the beginning of the financial year		89,035	64,054
		<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial year	6	<u><u>294,738</u></u>	<u><u>89,035</u></u>

*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 an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4  
96-100 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 20 March 2024. 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 financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, 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.

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

### **Going Concern**

During the year ended, the consolidated entity incurred net operating cash outflows of \$570,052 (30 June 2022: 167,807) and had a closing cash balance of \$294,738 at 30 June 2023.

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 consolidated entity has the option to liquidate partially or its entire position in Pantheon Resources Plc which it has done as required in the year ended 30 June 2023, raising approximately \$1,096,782 for working capital purposes. As at 30 June 2023, the consolidated entity's investment in Pantheon Resources Plc was carried at its market value of \$1,573,619 (30 June 2022: \$9,458,649).

Subsequent to 30 June 2023, the fair value of the investment in Pantheon Resources Plc (LSE: PANR.L) has increased to \$3,153,097, as at 19 March 2024. This is an increase of \$1,579,477 since 30 June 2023.

The ability of the Company to continue as a going concern is dependent on the Company maintaining its position in Pantheon Resources Plc and the share price performance of Pantheon Resources plc. If the Company was to liquidate its entire position in Pantheon Resources then the Company may seek to return capital to its shareholders and reevaluate the continuing operations of the Company or may continue to assess other opportunities if relevant.

As a result of these matters there is a material uncertainty that may cast significant doubt upon the group's ability to continue as a going concern and therefore whether the group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

However, this will depend on the future activities and share price of Pantheon and the Directors have no confirmed plans to do so at the time of this report.

Accordingly, the directors believe the Company will be able to continue as a going concern and therefore, these financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

### **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 20.

### **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 2023 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.

## Note 2. Significant accounting policies (continued)

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.

### *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.

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.

### **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. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be 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 a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.



## Note 2. Significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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.

### *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. Fair value (losses)/gains of financial assets through profit and loss

Refer to note 7 for details of investments carried at fair value.

	<b>Consolidated</b>	
	<b>June 2023</b>	<b>June 2022</b>
	<b>\$</b>	<b>\$</b>
Unrealised gain / (loss) on value of investments	(7,417,836)	4,899,799
Realised gain / (loss) on value of investments	308,561	40,827
	<u>(7,109,275)</u>	<u>4,940,626</u>

**Note 5. Income tax expense**

	<b>Consolidated June 2023</b>	<b>Consolidated June 2022 Restated</b>
	<b>\$</b>	<b>\$</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
(Loss)/Profit before income tax expense	(7,353,337)	4,703,515
Tax at the statutory tax rate of 30%	(2,206,001)	1,411,055
Non-deductible expenses/ non-assessable income included in operating losses	1,985,080	(1,479,237)
Carry forward losses not recognised	220,921	68,182
Income tax expense	<u>-</u>	<u>-</u>
	<b>Consolidated 2023</b>	<b>Consolidated 2022</b>
	<b>\$</b>	<b>\$</b>
Deferred tax included in income tax expense comprises:		
- (Increase)/decrease in deferred tax assets	2,402,802	(1,567,372)
- Increase/(decrease) in deferred tax liabilities	(2,402,802)	1,567,372
	<u>-</u>	<u>-</u>
	<b>Consolidated 2023</b>	<b>Consolidated 2022</b>
	<b>\$</b>	<b>\$</b>
Deferred tax assets	-	2,402,802
Deferred tax liabilities	-	(2,402,802)
Net deferred tax	<u>-</u>	<u>-</u>

Deferred tax assets of \$2,402,802 have been recognised in relation to the carry forward tax losses of the entity, to extent they are offset by the likely deferred tax liability on the gain on the Pantheon Resources investment. Deferred tax balances have been derecognised during the year ended 30 June 2023 as there is no Deferred Tax liability on the gain of investment due to a decrease in the share price of Pantheon Resources Plc.

As at 30 June 2023, Argo Exploration Limited had carry forward tax losses of \$ 11,122,484.

*Incorrect tax rates*

In the previous financial year, the financial statements have incorrectly disclosed the income tax details as the tax rate for the company was incorrectly applied. As such the below adjustment to the tax note has been made. As a result, this has no impact of amounts recorded in the financial statements other than the numerical reconciliation of income tax expense to prima facie tax payable and the potential tax benefit of unused tax losses for which no deferred tax asset has been recognised.

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

	2022 Financials \$	Consolidated Adjustment \$	2022 Restated \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>			
Profit before income tax	4,730,515	-	4,730,515
Tax at statutory tax rate of 30%	1,175,879	235,176	1,411,055
Non-deductible expense/ non-assessable income included in operating losses	(1,232,697)	(246,540)	(1,479,237)
Carry forward losses not recognised	56,818	11,364	68,182
	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax included in income tax expenses comprises:			
- Decrease in deferred tax asset			
- (Decrease) in deferred tax liabilities	(1,166,905)	(400,467)	(1,567,372)
	<u>1,166,905</u>	<u>400,467</u>	<u>1,567,372</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax assets	2,002,335	400,467	2,402,802
Deferred tax liabilities	(2,002,335)	(400,467)	(2,402,802)
	<u>-</u>	<u>-</u>	<u>-</u>

**Note 6. Current assets - cash and cash equivalents**

	Consolidated	
	June 2023 \$	June 2022 \$
Cash at bank	279,813	74,326
Cash on deposit	14,925	14,709
	<u>294,738</u>	<u>89,035</u>

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

	Consolidated June 2023 \$	June 2022 \$
Shares in Pantheon Resources Plc.	1,573,619	9,458,649
	<u>1,573,619</u>	<u>9,458,649</u>

*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	9,458,649	4,710,812
Additions	321,027	-
Disposals	(1,096,782)	(192,788)
Revaluation increments/(decrements)	(7,109,275)	4,940,625
Closing fair value	<u>1,573,619</u>	<u>9,458,649</u>

Equity investment for which the consolidated entity has not elected to recognise fair value gains and losses through other comprehensive income and that are classified as financial assets measured at fair value through profit or loss.

Refer to note 11 for further information on fair value measurement.

**Note 8. Equity - issued capital**

	June 2023 Shares	Consolidated June 2022 Shares	June 2023 \$	June 2022 \$
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.

*Shares issued on the exercise of options or right*

There were no ordinary shares of Argo Exploration Limited issued on the exercise of options or rights during the year ended 30 June 2023 and up to the date of this report.

*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 9. Equity - dividends**

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

## Note 10. 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.

	Assets 2023	Assets 2022	Liabilities 2023	Liabilities 2022
Consolidated				
Pound Sterling	826,150	5,364,000	-	-
	-	-	-	-
Impact on net profit after tax of;				
+ 5% change in GBP/AUD rate	74,934	450,412	-	-
- 5% change in GBP/AUD rate	(82,822)	(497,824)	-	-

#### Price risk

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

#### Interest rate risk

As at the reporting date, the consolidated entity is exposed to variable interest rates on its cash holdings as below:

#### 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.

#### Fair value of financial instruments

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

## Note 11. 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

<b>Consolidated - June 2022</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Shares in listed entities	1,573,619	-	-	1,573,619
Total assets	1,573,619	-	-	1,573,619

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 12. 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)

### Compensation

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

	<b>Consolidated</b>	
	<b>June 2023</b>	<b>June 2022</b>
	\$	\$
Short-term benefits	108,000	108,000

**Note 12. Key management personnel disclosures (continued)**

Refer to note 16 for further information on remuneration made to directors and other members of key management personnel

**Note 13. 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:

	<b>Consolidated</b>	
	<b>June 2023</b>	<b>June 2022</b>
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	36,720	32,000

**Note 14. Contingent liabilities**

The consolidated entity does not have any contingent liabilities at reporting date (30 June 2022: NIL).

**Note 15. Commitments**

As at 30 June 2023 the company does not have any commitments, including any commitments for expenditure on Exploration tenements (30 June 2022: NIL).

**Note 16. Related party transactions**

*Parent entity*

Argo Exploration Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 18.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 15.

*Transactions with related parties*

Transactions with Director Related Entities

A Director of the company, Mr Justin Hondris, is also an Executive Director of AIM-listed Pantheon Resources Plc . Argo Exploration Limited acquired a shareholding in Pantheon of 7 million shares during the reporting period ended 30 June 2010 and at the time of writing Argo retains a shareholding of 6 million Pantheon shares. This shareholding in Pantheon remains Argo's principal asset. Mr Hondris was and continues to be excluded from all matters concerning the investment in Pantheon. This included decision making, analysis and voting on the acquisition of the original investment in Pantheon. Additionally, Mr Hondris will continue to be excluded from future decisions relating to purchases or disposals of shares in Pantheon by Argo. At a personal level, Mr Hondris continues to be restricted in his ability to acquire or dispose of shares in Argo. Mr Hondris has never disposed of any shares in Argo.

Mr Justin Hondris and his spouse currently hold 1,844,753 ordinary shares in Pantheon Resources Plc, representing a 0.2% holding of Pantheon's issued capital.

**Note 16. Related party transactions (continued)**

*Receivable from and payable to related parties*

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

	<b>Consolidated</b>	
	<b>June 2023</b>	<b>June 2022</b>
	\$	\$
Current payables:		
Directors fees payable - Mr J Hondris	382,500	346,500
Directors fees payable - Mr A Van Der Zwan	36,300	197,400
Directors fees payable - Mr C Martin (payable to Millwest Investments Pty Ltd)	13,200	257,400

These amounts represent accrued directors fees owed, but unpaid.

*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 17. Parent entity information**

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

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>June 2023</b>	<b>June 2022</b>
	\$	\$
(Loss)/Profit after income tax	(7,353,337)	4,703,515
Total comprehensive income	(7,353,337)	4,703,515

*Statement of financial position*

	<b>Parent</b>	
	<b>June 2023</b>	<b>June 2022</b>
	\$	\$
Total current assets	1,897,040	9,602,233
Total assets	1,897,040	9,602,233
Total current liabilities	482,117	833,973
Total liabilities	482,117	833,973
Equity		
Issued capital	15,200,555	15,200,555
Accumulated losses	(13,785,632)	(6,432,295)
Total equity	<u>1,414,923</u>	<u>8,768,260</u>

*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 30 June 2023 and 30 June 2022.



#### Note 17. Parent entity information (continued)

##### *Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

##### *Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

##### *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.

#### Note 18. 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	
		June 2023 %	June 2022 %
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 19. 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

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 20. Events after the reporting period

On 8 September 2023, the company sold 500,000 fully paid ordinary shares in its listed investment for \$234,555, Pantheon Resources Plc (Pantheon), to fund general working capital. Pursuant to Company policy, Mr Hondris was excluded from all discussions regarding this sale and accordingly provided no input, advice or opinion on the transaction, and was only informed of the transaction after the transaction had occurred.

As at 19 March 2024, the fair value of the investment in Pantheon Resources Plc was \$3,153,097, an increase in value since 30 June 2023 of \$1,579,477.

No other matter or circumstance has arisen since 30 June 2023 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 21. Reconciliation of (loss)/profit after income tax to net cash used in operating activities**

	<b>Consolidated June 2023</b>	<b>Consolidated June 2022</b>
	\$	\$
(Loss)/Profit after income tax expense for the year	(7,353,337)	4,703,515
Adjustments for:		
Fair value adjustment for fair value investments through profit and loss	7,109,275	(4,940,626)
Change in operating assets and liabilities:		
Decrease/(increase) in other receivables	28,244	(3,034)
Decrease/(Increase) in other assets	(2,378)	806
Increase/(decrease) in accrued expenses and other payables	(351,856)	71,532
Net cash used in operating activities	<u>(570,052)</u>	<u>(167,807)</u>

**Note 22. Losses per share**

	<b>Consolidated June 2023</b>	<b>Consolidated June 2022</b>
	\$	\$
(Loss)/Profit after income tax attributable to the owners of Argo Exploration Limited	<u>(7,353,337)</u>	<u>4,703,515</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic losses per share	<u>202,470,000</u>	<u>202,470,000</u>
Weighted average number of ordinary shares used in calculating diluted losses per share	<u>202,470,000</u>	<u>202,470,000</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(3.63)	2.32
Diluted loss per share	(3.63)	2.32

*Accounting policy for earnings per share*

*Basic loss per share*

Basic loss per share is calculated by dividing the loss 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 loss per share*

Diluted loss per share adjusts the figures used in the determination of basic loss 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.

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 2023 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 19 to the financial statements.

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 handwritten signature in black ink, appearing to read "A.V.Z.", written over a horizontal line.

---

Mr Andrew Van Der Zwan  
Non-Executive Director

20 March 2024  
Melbourne

## 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) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2023 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 Group in accordance with 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 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 Group had net operating cash outflows of \$570,052 during the year and had a closing cash balance of \$294,738 at 30 June 2023. 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 Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **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 Group's annual report for the year ended 30 June 2023, 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 accordingly 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.

### **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*. The Directors' responsibility also includes 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 Group'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 Group 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/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 20 March 2024