

Argo Exploration Limited

ABN 38 120 917 535

Half-year Financial Report - 31 December 2023

Argo Exploration Limited

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31 December 2023

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Argo Exploration Limited
Corporate directory
31 December 2023

Directors	Andrew Van Der Zwan (Non-Executive Director) Justin Hondris (Non-Executive Director) Christopher Martin (Non-Executive Director)
Company secretary	Stefan Ross
Registered office	Level 4 96-100 Albert Road South Melbourne VIC 3205 Telephone: +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	www.argoexploration.com.au

Argo Exploration Limited
Directors' report
31 December 2023

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 2023.

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 ended 31 December 2023 the principal activities of the consolidated entity consisted of reviewing potential investments in exploration and development of resource and management of the Company's investments.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$1,434,835 (31 December 2022: loss of \$4,323,473).

The net assets of the consolidated entity increased by \$1,434,835 to \$2,849,758 as at 31 December 2023 (30 June 2023: \$1,414,923). 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 \$1,333,574 to \$2,907,193. The consolidated entity's working capital, being current assets less current liabilities increased by \$1,434,835 to \$2,849,758 (30 June 2023: \$1,414,923).

As at 31 December 2023, the Company's primary asset was a holding of 6,000,000 shares in AIM listed Oil & Gas appraisal company, Pantheon Resources plc ("Pantheon"), representing, at the date of this report, 0.69% 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. In December 2023 Pantheon successfully bid for an additional 66,000 acres (the "new acreage"), contiguous with its existing acreage and offering material resource potential. The new acres represent the completion of Pantheon's multi-year leasing programme. 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. 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 ("NSAI") completed an Independent Expert Report on the Kodiak project, estimating a 2C Contingent Resource of 962.5 million barrels of marketable liquids. In April 2024, NSAI increased this contingent resource (recoverable) estimate to 1.2 billion barrels of marketable liquids, after incorporating the western section of the new acreage. 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 a target to deliver financial self-sufficiency and a sustainable recognition of a value of \$5 - \$10 per barrel of 1C/1P recoverable resources by end 2028. Further details can be found at Pantheon's website at 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.

Significant changes in the state of affairs

During the period, the company sold 500,000 fully paid ordinary shares in its listed investment, 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.

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

Argo Exploration Limited
Directors' report
31 December 2023

Matters subsequent to the end of the financial half-year

As at 8 July 2024, the fair value of the investment in Pantheon Resources Plc was \$2,353,276, a decrease in value since 31 December 2023 of \$553,917.

No other matter or circumstance has arisen since 31 December 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.

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



Mr Andrew Van Der Zwan
Non-Executive Director

9 July 2024
Melbourne

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
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Auditor's Independence Declaration

To the Directors of Argo Exploration Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Argo Exploration Limited for the half-year ended 31 December 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 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, 9 July 2024

Argo Exploration Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 December 2023	31 December 2022
		\$	\$
Income			
Interest revenue		5,037	3,851
Fair value gains/(losses) on financial assets through profit or loss	3	1,568,130	(4,204,356)
Expenses			
Corporate expenses		(73,760)	(58,380)
Other expenses		(64,572)	(64,588)
Profit/(loss) before income tax expense		1,434,835	(4,323,473)
Income tax expense		-	-
Profit/(loss) after income tax expense for the half-year attributable to the owners of Argo Exploration Limited		1,434,835	(4,323,473)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income/(loss) for the half-year attributable to the owners of Argo Exploration Limited		<u>1,434,835</u>	<u>(4,323,473)</u>
		Cents	Cents
Basic earnings/(loss) per share	10	0.71	(2.14)
Diluted earnings/(loss) per share	10	0.71	(2.14)

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 2023

	Note	Consolidated 31 December 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents		363,770	294,738
Trade and other receivables		23,419	15,161
Financial assets at fair value through profit or loss	4	2,907,193	1,573,619
Other		33,806	13,522
Total current assets		<u>3,328,188</u>	<u>1,897,040</u>
Total assets		<u>3,328,188</u>	<u>1,897,040</u>
Liabilities			
Current liabilities			
Accrued expenses and other payables		478,430	482,117
Total current liabilities		<u>478,430</u>	<u>482,117</u>
Total liabilities		<u>478,430</u>	<u>482,117</u>
Net assets		<u>2,849,758</u>	<u>1,414,923</u>
Equity			
Issued capital	5	15,200,555	15,200,555
Accumulated losses		<u>(12,350,797)</u>	<u>(13,785,632)</u>
Total equity		<u>2,849,758</u>	<u>1,414,923</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 2023

Consolidated	Issued Capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	15,200,555	(6,432,295)	8,768,260
Loss after income tax expense for the half-year	-	(4,323,473)	(4,323,473)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income/(loss) for the half-year	-	(4,323,473)	(4,323,473)
Balance at 31 December 2022	<u>15,200,555</u>	<u>(10,755,768)</u>	<u>4,444,787</u>
	Issued Capital \$	Accumulated losses \$	Total equity \$
Consolidated			
Balance at 1 July 2023	15,200,555	(13,785,632)	1,414,923
Profit after income tax expense for the half-year	-	1,434,835	1,434,835
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	1,434,835	1,434,835
Balance at 31 December 2023	<u>15,200,555</u>	<u>(12,350,797)</u>	<u>2,849,758</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 2023

	Consolidated	Consolidated
	31 December	31 December
	2023	2022
	\$	\$
Cash flows from operating activities		
Payments to suppliers and directors	(170,554)	(497,867)
Interest received	5,030	3,837
	<u>(165,524)</u>	<u>(494,030)</u>
Cash flows from investing activities		
Proceeds from disposal of investments	234,556	1,096,782
	<u>234,556</u>	<u>1,096,782</u>
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	69,032	602,752
Cash and cash equivalents at the beginning of the financial half-year	294,738	89,035
Cash and cash equivalents at the end of the financial half-year	<u><u>363,770</u></u>	<u><u>691,787</u></u>

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 2023

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 ended 31 December 2023. 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 9 July 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 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 2023 .

The 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 2023, the Company incurred net operating cash outflows of \$165,524 and had cash and cash equivalents of \$363,770 as at 31 December 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.

As and when required, the company has the option to liquidate partially or its entire shareholding in Pantheon Resources Plc, ("Pantheon"), consistent with its partial disposal of its holdings in Pantheon during the half year ended 31 December 2023. As at 31 December 2023, the consolidated entity's investment in Pantheon was carried at its market value of \$2,907,193 (30 June 2023: 1,573,619). As detailed in note 10 to the financial statements, on 8 July 2024, the market value of the 6,000,000 shares held by the company in Pantheon was \$2,353,276.

Argo Exploration Limited
Notes to the consolidated financial statements
31 December 2023

Note 2. Material accounting policy information (continued)

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 be able to continue as a going concern.

Note 3. Fair value gains/(losses) on financial assets through profit or loss

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Unrealised gain/(loss) on value of investments	1,454,622	(4,512,917)
Realised gain on value of investments	113,508	308,561
	<u>1,568,130</u>	<u>(4,204,356)</u>

During the year, the Consolidated Entity recognised a gain of \$113,508 from the disposal of fully paid ordinary shares in its listed investment, Pantheon. Management recognised zero tax expense and liability in the financial statements based on the assessment that the Consolidated Entity will be able to utilise the carried forward tax losses from prior years.

Note 4. Current assets - financial assets at fair value through profit or loss

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Shares in listed entity	<u>2,907,193</u>	<u>1,573,619</u>

Reconciliation

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	1,573,619	9,458,649
Additions	-	321,027
Disposals	(234,556)	(1,096,782)
Revaluation increments/decrements (net of realised gains/losses, Note 3)	1,568,130	(7,109,275)
Closing fair value	<u>2,907,193</u>	<u>1,573,619</u>

Argo Exploration Limited
Notes to the consolidated financial statements
31 December 2023

Note 4. Current assets - financial assets at fair value through profit or loss (continued)

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 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total
Assets				
Shares in listed entities	2,907,193	-	-	2,907,193

Consolidated - June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Shares in listed entities	1,573,619	-	-	1,573,619

There were no transfers between levels during the period.

Note 5. Equity - issued capital

	31 December 2023 Shares	Consolidated 30 June 2023 Shares	31 December 2023 \$	30 June 2023 \$
Ordinary shares - fully paid	202,470,000	202,470,000	15,200,555	15,200,555

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 6. Equity - dividends

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

Note 7. Contingent liabilities

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

Argo Exploration Limited
Notes to the consolidated financial statements
31 December 2023

Note 8. Commitments

The consolidated entity had no commitments at the reporting date.

Note 9. Events after the reporting period

As at 8 July 2024, the fair value of the investment in Pantheon Resources Plc was \$2,353,276, a decrease in value since 31 December 2023 of \$553,917.

No other matter or circumstance has arisen since 31 December 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 10. Earnings/(loss) per share

	Consolidated	
	31 December	31 December
	2023	2022
	\$	\$
Profit/(loss) after income tax attributable to the owners of Argo Exploration Limited	<u>1,434,835</u>	<u>(4,323,473)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share	<u>202,470,000</u>	<u>202,470,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	<u>202,470,000</u>	<u>202,470,000</u>
	Cents	Cents
Basic earnings/(loss) per share	0.71	(2.14)
Diluted earnings/(loss) per share	0.71	(2.14)

Argo Exploration Limited
Directors' declaration
31 December 2023

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 2023 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



Mr Andrew Van Der Zwan
Non-Executive Director

9 July 2024
Melbourne

Independent Auditor's Review Report

To the Members of Argo Exploration Limited

Report on 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 Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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 the Group's financial position as at 31 December 2023 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 Group 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 Group incurred net operating cash outflows of \$165,524 during the half year ended 31 December 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 conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Group 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 Group's financial position as at 31 December 2023 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, 9 July 2024