



**ARGO EXPLORATION LIMITED**

**ABN 38 120 917 535**

**HALF YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**

## **Argo Exploration Limited**

### **Contents**

**31 December 2018**

|  |    |
|--|----|
| Corporate directory  | 2  |
| Directors' report  | 3  |
| Auditor's independence declaration   | 5  |
| Statement of profit or loss and other comprehensive income                     | 6  |
| Statement of financial position  | 7  |
| Statement of changes in equity   | 8  |
| Statement of cash flows  | 9  |
| Notes to the financial statements  | 10 |
| Directors' declaration   | 14 |
| Independent auditor's review report to the members of Argo Exploration Limited | 15 |

**Argo Exploration Limited**  
**Corporate directory**  
**31 December 2018**

|                             |   |
|-----------------------------|---|
| Directors                   | Andrew Van Der Zwan<br>(Non-Executive Director)<br>Justin Hondris<br>(Non-Executive Director)<br>Christopher Martin<br>(Non-Executive Director) |
| Company secretaries         | Melanie Leydin<br>Justin Mouchacca  |
| Registered office           | Level 4<br>100 Albert Road<br>South Melbourne VIC 3205<br>Telephone: +61 3 9692 7222<br>Fax: +61 3 9077 9233                                    |
| Principal place of business | Level 4<br>100 Albert Road<br>South Melbourne VIC 3205  |
| Share register              | Advanced Share Registry Ltd<br>150 Stirling Highway<br>Nedlands WA 6009<br>(+61 8) 9389 8033  |
| Auditor                     | Grant Thornton Audit Pty Ltd<br>Chartered Accountants<br>Collins Square, Tower 5<br>727 Collins Street<br>Melbourne VIC 3008                    |
| Stock exchange listing      | Argo Exploration Limited shares are listed on the Australian Securities Exchange<br>(ASX code: AXT)   |
| Website                     | <a href="http://www.argoexploration.com.au">www.argoexploration.com.au</a>  |

**Argo Exploration Limited**  
**Directors' report**  
**31 December 2018**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Argo Exploration Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

**Directors**

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

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

**Principal activities**

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

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$430,745 (31 December 2017: profit of \$1,993,925).

The net assets of the consolidated entity decreased by \$430,745 to \$1,542,112 as at 31 December 2018 (30 June 2018: \$1,972,857). The main reason for the decrease in net assets was due to the decrease in the Company's carrying amount of its investment in Pantheon Resources Plc, which decreased by \$315,062. The consolidated entity's working capital, being current assets less current liabilities, decreased by \$430,745 to \$ 1,542,112 (30 June 2018: \$1,972,857)

High level overview of Pantheon:

- Pantheon announced that the pipeline connecting the VOS#1 well and the Enterprise gathering and processing system in Tyler County, East Texas is now hooked up and that flowing operations have commenced. The Company will bring the well online slowly to allow it to gradually clean up as a result of its prolonged shut-in period and will report flow rates in due course.
- Pantheon agreed non-binding terms with Kaiser Francis and associated limited partners ("KF") to acquire KF's 66.6% ownership of Vision Gas Limited and Vision Resources LLC ("Vision") including its working interest in the VOS#1 well and associated Tyler County acreage. This transaction was completed in January 2019. As consideration, Pantheon issued to KF 3.5 million new fully paid ordinary shares in Pantheon in full and final settlement (the "KF Acquisition"). Vision Gas Limited owns certain physical assets of Vision and its intellectual property (comprising, inter alia, seismic, well logs, and production histories).
- Pantheon completed a Capital Raising to raise US\$20.9 million (before expenses) for the acquisition of the Alaskan assets of Great Bear Petroleum, which was approved by shareholders in January, 2019. The main assets of the Great Bear Companies are leases with the rights to explore for hydrocarbons in Alaska. Following completion of the transaction Pantheon will have working interest positions ranging from 10% to 90% in prospects with a combined estimated P50 Technically Recoverable Resource estimated at 2.1 billion barrels of oil.
- In February 2019 the Winx-1 well in Alaska was spudded targeting a P50 prospectove resource of 400 million barrels of oil across multiple zones. Pantheon has a 10% working interest in the well together with a back-in right to acquire an additional 10% working interest in the event of success.

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

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

**Argo Exploration Limited**  
**Directors' report**  
**31 December 2018**

**Significant changes in the state of affairs**

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

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

Since 31 December 2018, the fair value of the investment in Pantheon Resources Limited has increased to \$3,003,841.23 as at 25 February 2019. This is a increase of approximately \$990,539.05 since 31 December 2018.

Subsequent to the six month period ended 31 December 2018, the Company sold 200,000 shares in its listed investment Pantheon Resources Plc to fund general working capital. The consideration for the sale was \$60,360. The Directors considered that the sale of shares in Pantheon was the most cost efficient, least-dilutive and expedient method available at the time to raise working capital.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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

On behalf of the directors



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Mr Andrew Van Der Zwan  
Non-Executive Director

26 February 2019  
Melbourne

## Auditor's Independence Declaration

To the Directors of Argo Exploration Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Argo Exploration Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the 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, 26 February 2019

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**Argo Exploration Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2018**

|  |             | <b>Consolidated</b>     |                         |
|--|-------------|-------------------------|-------------------------|
|  | <b>Note</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|  |             | <b>\$</b>               | <b>\$</b>               |
| Fair Value Gains/(Losses)  | 4           | (315,061)               | 2,113,223               |
| Interest revenue calculated using the effective interest method  |             | 195                     | 1,072                   |
| <b>Expenses</b>  |             |                         |                         |
| Corporate expense  |             | (32,031)                | (34,899)                |
| Administrative expense   |             | (2,539)                 | (4,364)                 |
| Employee benefits expense  |             | (81,309)                | (81,107)                |
| <b>Profit/(loss) before income tax expense</b>   |             | (430,745)               | 1,993,925               |
| Income tax expense   |             | -                       | -                       |
| <b>Profit/(loss) after income tax expense for the half-year attributable to the owners of Argo Exploration Limited</b> |             | (430,745)               | 1,993,925               |
| Other comprehensive income for the half-year, net of tax   |             | -                       | -                       |
| <b>Total comprehensive income/(loss) for the half-year attributable to the owners of Argo Exploration Limited</b>      |             | <u>(430,745)</u>        | <u>1,993,925</u>        |
|  |             | <b>Cents</b>            | <b>Cents</b>            |
| Basic earnings /(loss) per share   | 13          | (0.24)                  | 1.09                    |
| Diluted earnings /(loss) per share   | 13          | (0.24)                  | 1.09                    |

*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 31 December 2018**

|   |             | <b>Consolidated</b> |                     |
|---|-------------|---------------------|---------------------|
|   |             | <b>31 December</b>  |                     |
|   | <b>Note</b> | <b>2018</b>         | <b>30 June 2018</b> |
|   |             | <b>\$</b>           | <b>\$</b>           |
| <b>Assets</b>   |             |                     |                     |
| <b>Current assets</b>                                 |             |                     |                     |
| Cash and cash equivalents                             |             | 15,432              | 41,418              |
| Trade and other receivables                           |             | 21,309              | 14,624              |
| Financial assets at fair value through profit or loss | 5           | 2,013,302           | 2,328,364           |
| Other   |             | 25,566              | 6,386               |
| <b>Total current assets</b>                           |             | <u>2,075,609</u>    | <u>2,390,792</u>    |
| <b>Non-current assets</b>                             |             |                     |                     |
| Deferred tax  | 6           | 88,671              | 175,285             |
| <b>Total non-current assets</b>                       |             | <u>88,671</u>       | <u>175,285</u>      |
| <b>Total assets</b>                                   |             | <u>2,164,280</u>    | <u>2,566,077</u>    |
| <b>Liabilities</b>                                    |             |                     |                     |
| <b>Current liabilities</b>                            |             |                     |                     |
| Trade and other payables                              |             | 531,497             | 417,935             |
| Borrowings  |             | 2,000               | -                   |
| <b>Total current liabilities</b>                      |             | <u>533,497</u>      | <u>417,935</u>      |
| <b>Non-current liabilities</b>                        |             |                     |                     |
| Deferred tax  | 7           | 88,671              | 175,285             |
| <b>Total non-current liabilities</b>                  |             | <u>88,671</u>       | <u>175,285</u>      |
| <b>Total liabilities</b>                              |             | <u>622,168</u>      | <u>593,220</u>      |
| <b>Net assets</b>                                     |             | <u>1,542,112</u>    | <u>1,972,857</u>    |
| <b>Equity</b>   |             |                     |                     |
| Issued capital  | 8           | 15,001,479          | 15,001,479          |
| Accumulated losses                                    |             | (13,459,367)        | (13,028,622)        |
| <b>Total equity</b>                                   |             | <u>1,542,112</u>    | <u>1,972,857</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 half-year ended 31 December 2018**

| <b>Consolidated</b>                                      | <b>Contributed<br/>equity<br/>\$</b> | <b>Retained<br/>profits<br/>\$</b> | <b>Total equity<br/>\$</b> |
|--|--------------------------------------|------------------------------------|----------------------------|
| Balance at 1 July 2017                                   | 15,001,479                           | (9,080,242)                        | 5,921,237                  |
| Profit after income tax expense for the half-year        | -                                    | 1,993,925                          | 1,993,925                  |
| Other comprehensive income for the half-year, net of tax | -                                    | -                                  | -                          |
| Total comprehensive income for the half-year             | -                                    | 1,993,925                          | 1,993,925                  |
| Balance at 31 December 2017                              | <u>15,001,479</u>                    | <u>(7,086,317)</u>                 | <u>7,915,162</u>           |
|  | <b>Contributed<br/>equity<br/>\$</b> | <b>Retained<br/>profits<br/>\$</b> | <b>Total equity<br/>\$</b> |
| Balance at 1 July 2018                                   | 15,001,479                           | (13,028,622)                       | 1,972,857                  |
| Loss after income tax expense for the half-year          | -                                    | (430,745)                          | (430,745)                  |
| Other comprehensive income for the half-year, net of tax | -                                    | -                                  | -                          |
| Total comprehensive income for the half-year             | -                                    | (430,745)                          | (430,745)                  |
| Balance at 31 December 2018                              | <u>15,001,479</u>                    | <u>(13,459,367)</u>                | <u>1,542,112</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 half-year ended 31 December 2018**

|   | <b>Consolidated</b>     |                         |
|---|-------------------------|-------------------------|
|   | <b>31 December 2018</b> | <b>31 December 2017</b> |
|   | <b>\$</b>               | <b>\$</b>               |
| <b>Cash flows from operating activities</b>                           |                         |                         |
| Payments to suppliers and employees                                   | (28,181)                | (91,052)                |
| Interest received   | 195                     | 1,072                   |
|   | <u>(27,986)</u>         | <u>(89,980)</u>         |
| <b>Cash flows from investing activities</b>                           |                         |                         |
| Net cash from investing activities                                    | <u>-</u>                | <u>-</u>                |
| <b>Cash flows from financing activities</b>                           |                         |                         |
| Proceeds from borrowings  | <u>2,000</u>            | <u>-</u>                |
| Net cash from financing activities                                    | <u>2,000</u>            | <u>-</u>                |
| Net decrease in cash and cash equivalents                             | (25,986)                | (89,980)                |
| Cash and cash equivalents at the beginning of the financial half-year | <u>41,418</u>           | <u>178,502</u>          |
| Cash and cash equivalents at the end of the financial half-year       | <u><u>15,432</u></u>    | <u><u>88,522</u></u>    |

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

**Argo Exploration Limited**  
**Notes to the financial statements**  
**31 December 2018**

**Note 1. General information**

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

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

Level 4  
100 Albert Road  
South Melbourne VIC 3205

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2019. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 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 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

**AASB 15 Revenue from Contracts with Customers**

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. There is no effect on Argo Exploration Limited of this standard.

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

AASB 9 Financial instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace AASB 139 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets.

A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI').

For financial liabilities, new impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

For the company there was no material impact on the carrying values from adoption. Changes in fair value of investments continue to be recorded through profit and loss.

**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**

The Company has net operating cash outflows of \$27,986 and cash balance of \$15,432 as at 31 December 2018. The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments. The directors continue to monitor the ongoing funding requirements of the consolidated entity. The directors are confident that sufficient funds can be secured if required by a combination of capital raising and sale of assets to enable the consolidated entity to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

The Company also has the option to liquidate its position in Pantheon Resources Plc if there are insufficient funds being generated through capital raising. As at 31 December 2018 the Company's investment in Pantheon Resources Plc was carried at the market rate \$2,013,302 (30 June 2018: \$2,328,364).

Subsequent to the six month period ended 31 December 2018, the Company sold 200,000 shares in its listed investment Pantheon Resources Plc to fund general working capital. The consideration for the sale was \$60,360. The Directors considered that the sale of shares in Pantheon was the most cost efficient, least-dilutive and expedient method available at the time to raise working capital.

**Note 3. Operating segments**

*Identification of reportable operating segments*

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

Argo Exploration Limited  
Notes to the financial statements  
31 December 2018

**Note 4. Fair Value Gains/(Losses)**

|                           | Consolidated        |                     |
|---------------------------|---------------------|---------------------|
|                           | 31 December<br>2018 | 31 December<br>2017 |
|                           | \$                  | \$                  |
| Fair Value Gains/(Losses) | (315,061)           | 2,113,223           |

**Note 5. Current assets - financial assets at fair value through profit or loss**

|                         | Consolidated        |              |
|-------------------------|---------------------|--------------|
|                         | 31 December<br>2018 | 30 June 2018 |
|                         | \$                  | \$           |
| Shares in listed entity | 2,013,302           | 2,328,364    |

*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                    | 2,328,364 | 8,150,768   |
| Revaluation increments / (decrements) | (315,061) | (5,822,404) |
| Closing fair value                    | 2,013,303 | 2,328,364   |

**Note 6. Non-current assets - deferred tax**

|                    | Consolidated        |              |
|--------------------|---------------------|--------------|
|                    | 31 December<br>2018 | 30 June 2018 |
|                    | \$                  | \$           |
| Deferred tax asset | 88,671              | 175,285      |

**Note 7. Non-current liabilities - deferred tax**

|                        | Consolidated        |              |
|------------------------|---------------------|--------------|
|                        | 31 December<br>2018 | 30 June 2018 |
|                        | \$                  | \$           |
| Deferred tax liability | 88,671              | 175,285      |

**Note 8. Equity - issued capital**

|                              | Consolidated        |              |                     |              |
|------------------------------|---------------------|--------------|---------------------|--------------|
|                              | 31 December<br>2018 | 30 June 2018 | 31 December<br>2018 | 30 June 2018 |
|                              | Shares              | Shares       | \$                  | \$           |
| Ordinary shares - fully paid | 182,970,000         | 182,970,000  | 15,001,479          | 15,001,479   |

*Ordinary shares*

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

**Argo Exploration Limited**  
**Notes to the financial statements**  
**31 December 2018**

**Note 8. Equity - issued capital (continued)**

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 9. Equity - dividends**

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

**Note 10. Contingent liabilities**

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

**Note 11. Commitments**

The consolidated entity had no commitments at the reporting date.

**Note 12. Events after the reporting period**

Since 31 December 2018, the fair value of the investment in Pantheon Resources Limited has increased to \$3,003,841.23 as at 25 February 2019. This is a increase of approximately \$990,539.05 since 31 December 2018.

Subsequent to the six month period ended 31 December 2018, the Company sold 200,000 shares in its listed investment Pantheon Resources Plc to fund general working capital. The consideration for the sale was \$60,360. The Directors considered that the sale of shares in Pantheon was the most cost efficient, least-dilutive and expedient method available at the time to raise working capital.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 13. Earnings per share**

|   | <b>Consolidated</b> |                    |
|---|---------------------|--------------------|
|   | <b>31 December</b>  | <b>31 December</b> |
|   | <b>2018</b>         | <b>2017</b>        |
|   | <b>\$</b>           | <b>\$</b>          |
| Profit/(loss) after income tax attributable to the owners of Argo Exploration Limited     | <u>(430,745)</u>    | <u>1,993,925</u>   |
|   | <b>Number</b>       | <b>Number</b>      |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | <u>182,970,000</u>  | <u>182,970,000</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>182,970,000</u>  | <u>182,970,000</u> |
|   | <b>Cents</b>        | <b>Cents</b>       |
| Basic earnings /(loss) per share  | (0.24)              | 1.09               |
| Diluted earnings /(loss) per share  | (0.24)              | 1.09               |

**Argo Exploration Limited**  
**Directors' declaration**  
**31 December 2018**

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 2018 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



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Mr Andrew Van Der Zwan  
Non-Executive Director

26 February 2019  
Melbourne

# Independent Auditor's Review Report

To the Members of Argo Exploration Limited

Report on the review of the half year financial report

## Conclusion

We have reviewed the accompanying half year financial report of Argo Exploration Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated financial statements being the statement of financial position at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Argo Exploration Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

## Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Company had net operating cash outflows of \$27,986 during the period and had a closing cash balance of \$15,432 at 31 December 2018. The going concern of the Company is dependent upon it maintaining sufficient funds for its operations and commitments. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Directors' responsibility for the half year financial report

The Directors of Argo Exploration Limited 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 2018 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*. As the auditor of Argo Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 26 February 2019