ARGO EXPLORATION LIMITED
ABN 38 120 917 535

HALF YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Argo Exploration Limited
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31 December 2019

Argo Exploration Limited
Corporate directory
31 December 2019

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

Argo Exploration Limited
Directors' report
31 December 2019

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 2019.

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)
Mr Jonathan Cheng (Non-Executive Director) (appointed 21 October 2019, resigned 6 April 2020)

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 $621,671 (31 December 2018: $430,745).

The net assets of the consolidated entity decreased by $621,671 to $1,426,691 as at 31 December 2019 (30 June 2019: $2,048,362). 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 $563,941. The consolidated entity's working capital, being current assets less current liabilities, decreased by $621,671 to $1,426,691 (30 June 2019: $2,048,362).

The Company currently holds 6,400,000 shares in AIM Listed Oil & Gas Explorer Pantheon Resources plc (“Pantheon”), being 1.2% of the issued ordinary capital in Pantheon.

High level overview of the investment in Pantheon:

The period from 1 July 2019 to 31 December 2019, and the period beyond have been one of great achievement for Pantheon Resources plc (“Pantheon”). Corporately, Pantheon completed a fundraising of US$10.7m during the period. The Company has a clean capital structure with no debt. Operationally, Pantheon completed a strategic overview of its assets, importantly confirming Alaska as the primary asset, with East Texas being subordinated as a second priority. Pantheon received an Independent Experts Report on its 100% owned Greater Alkaid project which certified a Contingent Resource of 76.5 million barrels of oil (recoverable), advantageously located immediately adjacent to and underneath Alaska’s major pipeline and highway transportation infrastructure. In March 2020, the Company released the results of the analysis of its Talitha project, having completed analysis of the shallowest of the three different horizons present at Talitha, all of which are all mutually exclusive geological formations. The Company reported this 'Shelf Margin Deltaic' horizon, a Brookian age reservoir, was estimated to contain 1.8 billion barrels of oil in place (“OIP”) and a P50 Technically Recoverable Resource of 483 million barrels of oil (“MMBO”). Previous estimates for all three zones combined were 2.6 billion barrels OIP and 463 - 508 MMBO P50 Technically Recoverable Resource for the entire Talitha project. These results were significantly greater than pre-analysis expectations.

During the period Pantheon also acquired acreage containing 2 projects, Theta West and Leonis, adjacent to its existing acreage, which the Company believed offer significant and material potential. Pantheon continues in its efforts to find a suitable farm-in partner for its Alaskan project and confirmed that they were in discussions with a number of Companies including National Oil Companies.

The Board of Argo continues to seek, review and evaluate a number of new potential projects and corporate opportunities. 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.

The uncertainty and economic impact of COVID-19 is also expected to have widespread consequences for the valuations of assets worldwide and it is possible that such turbulence may in fact create opportunities for Argo to potentially acquire assets that were previously unavailable, and possibly at much lower valuations.

Significant changes in the state of affairs
On 21 October 2019 Argo Exploration Limited announced the Placement of 20,000,000 fully paid ordinary shares at $0.02 (2 cents) per share (together with 5,000,000 unlisted options exercisable at $0.05 (5 cents) each with expiry 15 October 2021) to strategic investor, LC Capital Limited ("LC") to raise $400,000 ("the Placement"). Concurrent with the Placement the Company also announced the appointment of Mr Jonathan Cheng as a Non-Executive Director. Subsequent to the end of half-year period, the Company announced that it had reached mutual agreement with LC Capital Limited to terminate the Placement and for Mr Cheng to resign from the board.

During the period ending 31 December 2019, the company sold 200,000 Pantheon shares to fund general working capital for the Company.

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

Matters subsequent to the end of the financial half-year
As at 31 December 2019, the fair value of the consolidated entity's investment in Pantheon Resources Limited was $2,008,326. As a result of global uncertainties associated with the COVID-19 pandemic there has been a significant fall in world markets resulting in a reduction in the fair value of the investment in Pantheon Resources Limited. As at 14 May 2020 the fair value of the investments is $1,501,744, which is a decline in value from 31 December 2019 of $506,582.

Since 1 January 2020, the consolidated entity has sold 100,000 shares in its listed investment Pantheon Resources to fund general working capital. The consideration for the sale was $22,925 after transaction costs.

The Company's securities were suspended from official quotation after close of trading on Wednesday, 5 February 2020. As previously disclosed by the Company, the Company received a letter from ASX notifying that the Company needed to demonstrate adequate operations by 5 February 2020. ASX advised that in their opinion, the Company's current operations, being solely the investment in Pantheon and holding no interest in resource tenements, are not sufficient to warrant the continued quotation of the Company's securities.

On 6 April 2020, the Company announced that Argo and LC Capital Limited mutually agreed to terminate the Placement announced on 21 October 2019 which had intended to raise $400,000.

At the same time, the Company announced that Mr Jonathan Cheng tendered his resignation as a Director of the Company to pursue other business interests.

On 30 April 2020, the Company announced the Placement of 12,000,000 new fully paid ordinary shares at $0.01 (1 cent) per share to investors, raising $120,000 before costs. The Shares are voluntary escrowed for a period of 12 months from the date of issue.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which has continued to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and International markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and International economies and, as such, the Company is unable to determine if it will have a material impact to its operations.

No other matter or circumstance has arisen since 31 December 2019 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 6.

Argo Exploration Limited
Directors' report
31 December 2019

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

15 May 2020
Melbourne

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Auditor's Independence Declaration

To the Directors of Argo Exploration Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Argo Exploration Limited for the half-year ended 31 December 2019, 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 15 May 2020

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Argo Exploration Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Note	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Interest revenue calculated using the effective interest method		164	195
Fair value losses of financial assets through profit or loss		(501,708)	(315,061)
Expenses			
Corporate expense		(62,787)	(59,340)
Administrative expense		(3,340)	(2,539)
Employee benefits expense		(54,000)	(54,000)
Loss before income tax expense		(621,671)	(430,745)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Argo Exploration Limited		(621,671)	(430,745)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Argo Exploration Limited		(621,671)	(430,745)
		Cents	**Cents**
Basic earnings /(loss) per share	12	(0.34)	(0.24)
Diluted earnings /(loss) per share	12	(0.34)	(0.24)

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 2019

	Note	Consolidated 31 December 2019 $	Consolidated 30 June 2019 $
Assets			
Current assets			
Cash and cash equivalents		38,496	21,425
Trade and other receivables		26,086	23,359
Financial assets at fair value through profit or loss	4	2,008,326	2,572,267
Other		29,763	7,286
Total current assets		2,102,671	2,624,337
Non-current assets			
Deferred tax	5	120,516	262,314
Total non-current assets		120,516	262,314
Total assets		2,223,187	2,886,651
Liabilities			
Current liabilities			
Trade and other payables		675,980	575,975
Total current liabilities		675,980	575,975
Non-current liabilities			
Deferred tax	6	120,516	262,314
Total non-current liabilities		120,516	262,314
Total liabilities		796,496	838,289
Net assets		1,426,691	2,048,362
Equity			
Issued capital	7	15,001,479	15,001,479
Accumulated losses		(13,574,788)	(12,953,117)
Total equity		1,426,691	2,048,362

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 2019

Consolidated	Issued capital $	Accumulated losses $	Total equity $
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 loss for the half-year	-	(430,745)	(430,745)
Balance at 31 December 2018	15,001,479	(13,459,367)	1,542,112

Consolidated	Issued Capital $	Accumulated losses $	Total equity $
Balance at 1 July 2019	15,001,479	(12,953,117)	2,048,362
Loss after income tax expense for the half-year	-	(621,671)	(621,671)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(621,671)	(621,671)
Balance at 31 December 2019	15,001,479	(13,574,788)	1,426,691

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 2019

	Consolidated	
	31 December 2019 $	**31 December 2018 $**
Cash flows from operating activities		
Payments to suppliers and employees	(45,313)	(28,181)
Interest received	150	195
Net cash used in operating activities	(45,163)	(27,986)
Cash flows from investing activities		
Proceeds from disposal of investments	62,234	-
Net cash from investing activities	62,234	-
Cash flows from financing activities		
Proceeds from borrowings	-	2,000
Net cash from financing activities	-	2,000
Net increase/(decrease) in cash and cash equivalents	17,071	(25,986)
Cash and cash equivalents at the beginning of the financial half-year	21,425	41,418
Cash and cash equivalents at the end of the financial half-year	38,496	15,432

The above consolidated 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 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 15 May 2020. 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 2019 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 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

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

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

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. There is no impact on Argo Exploration Limited of this standard because it has no leases.

Note 2. Significant accounting policies (continued)

AASB Interpretation 23 Uncertainty over Income Tax Treatments

Interpretation 23 requires the assessment of whether the effect of uncertainty over income tax treatments should be included in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Interpretation outlines the requirements to determine whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances.

The consolidated entity has adopted Interpretation 23 from 1 July 2019, based on an assessment of whether it is ‘probable' that a taxation authority will accept an uncertain tax treatment. This assessment takes into account that for certain jurisdictions in which the company operates, a local tax authority may seek to open a company's books as far back as inception of the company. Where it is probable, the company has determined tax balances consistently with the tax treatment used or planned to be used in its income tax filings. Where the company has determined that it is not probable that the taxation authority will accept an uncertain tax treatment, the most likely amount or the expected value has been used in determining taxable balances (depending on which method is expected to better predict the resolution of the uncertainty).
There has been no impact from the adoption of Interpretation 23 in this reporting period.

Going concern
The Company has net operating cash outflows of $45,163 and a cash and cash equivalents balance of $38,496 as at 31 December 2019. 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 has the option to liquidate its position in Pantheon Resources Plc if there are insufficient funds being generated through capital raisings, which it has done as required during the half year ended 31 December 2019 resulting in proceeds of approximately $62,000 as at 31 December 2019. A further $23,000 in Pantheon Shares were sold subsequent to half-year end for working capital purposes. As at 31 December 2019 the Company's investment in Pantheon Resources Plc was carried at the market rate $2,008,326 (30 June 2019: $2,572,267).

Subsequent to half-year end, the Company announced the Placement of 12,000,000 new fully paid ordinary shares at $0.01 (1 cent) per share to investors, raising $120,000 (before costs). The Shares are voluntary escrowed for a period of 12 months from the date of issue. The proceeds from the Placement will be used to fund general working capital.

During the half-year ended 31 December 2019, the Company received a letter from ASX notifying that the Company will need to demonstrate adequate operations by 5 February 2020. ASX had advised that in their opinion, the Company's current operations, being solely the investment in Pantheon and holding no interest in resource tenements, are not sufficient to warrant the continued quotation of its securities. If the Company did not demonstrate adequate operations, in ASX's opinion, by 5 February 2020, then ASX may suspend the Company's securities from official quotation. On 5 February 2020, ASX suspended the Company's securities from official quotation after close of trading on Wednesday, 5 February 2020 due to the Company not being able to demonstrate adequate operations as outlined above.

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.

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

	Consolidated	
	31 December 2019 $	30 June 2019 $
Shares in listed entity	2,008,326	2,572,267

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	2,572,267	2,328,364
Disposals	(63,951)	(96,830)
Revaluation increments / (decrements)	(499,990)	340,733
Closing fair value	2,008,326	2,572,267

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 2019	Level 1 $	Level 2 $	Level 3 $	Total
Assets				
Shares in listed entities	2,008,326	-	-	2,008,326

Consolidated - June 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Shares in listed entities	2,572,267	-	-	2,572,267

There were no transfers between levels during the period.

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

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 5. Non-current assets - deferred tax

	Consolidated	
	31 December 2019 $	30 June 2019 $
Deferred tax asset	120,516	262,314

Note 6. Non-current liabilities - deferred tax

	Consolidated	
	31 December 2019 $	30 June 2019 $
Deferred tax liability	120,516	262,314

Note 7. Equity - issued capital

	Consolidated			
	31 December 2019 Shares	30 June 2019 Shares	31 December 2019 $	30 June 2019 $
Ordinary shares - fully paid	182,970,000	182,970,000	15,001,479	15,001,479

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

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

Note 7. Equity - issued capital (continued)

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

Note 8. Equity - dividends

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

Note 9. Contingent liabilities

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

Note 10. Commitments

The consolidated entity had no commitments at the reporting date.

Note 11. Events after the reporting period

As at 31 December 2019, the fair value of the consolidated entity's investment in Pantheon Resources Limited was $2,008,326. As a result of global uncertainties associated with the COVID-19 pandemic there has been a significant fall in world markets resulting in a reduction in the fair value of the investment in Pantheon Resources Limited. As at 14 May 2020 the fair value of the investments is $1,501,744, which is a decline in value from 31 December 2019 of $506,582.

Since 1 January 2020, the consolidated entity has sold 100,000 shares in its listed investment Pantheon Resources to fund general working capital. The consideration for the sale was $22,925 after transaction costs.

The Company's securities were suspended from official quotation after close of trading on Wednesday, 5 February 2020. As previously disclosed by the Company, the Company received a letter from ASX notifying that the Company needed to demonstrate adequate operations by 5 February 2020. ASX advised that in their opinion, the Company's current operations, being solely the investment in Pantheon and holding no interest in resource tenements, are not sufficient to warrant the continued quotation of the Company's securities.

On 6 April 2020, the Company announced that Argo and LC Capital Limited mutually agreed to terminate the Placement announced on 21 October 2019 which had intended to raise $400,000.

At the same time, the Company announced that Mr Jonathan Cheng tendered his resignation as a Director of the Company to pursue other business interests.

On 30 April 2020, the Company announced the Placement of 12,000,000 new fully paid ordinary shares at $0.01 (1 cent) per share to investors, raising $120,000 before costs. The Shares are voluntary escrowed for a period of 12 months from the date of issue.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which has continued to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and International markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and International economies and, as such, the Company is unable to determine if it will have a material impact to its operations.

No other matter or circumstance has arisen since 31 December 2019 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 12. Earnings per share

	Consolidated	
	31 December 2019 $	31 December 2018 $
Loss after income tax attributable to the owners of Argo Exploration Limited	(621,671)	(430,745)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	182,970,000	182,970,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	182,970,000	182,970,000
	Cents	**Cents**
Basic earnings /(loss) per share	(0.34)	(0.24)
Diluted earnings /(loss) per share	(0.34)	(0.24)

Argo Exploration Limited
Directors' declaration
31 December 2019

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 2019 and of its performance for the financial half-year ended on that date; and

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

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

On behalf of the directors

A.V.

Mr Andrew Van Der Zwan
Non-Executive Director

15 May 2020
Melbourne

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Independent Auditor's 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 statement of financial position as at 31 December 2019, 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, 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 2019, 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 report, which indicates that the Company had net operating cash outflows of $45,163 and a cash balance of $38,496 as at 31 December 2019. 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.

Emphasis of matter – COVID-19

We draw attention to Note 11 of the financial report, which describes the circumstances relating to the material subsequent event regarding COVID-19 and the uncertainty surrounding any potential financial impact on the financials. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 15 May 2020