

Company Number 05385506
Incorporated in England & Wales



PANTHEON RESOURCES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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PANTHEON RESOURCES PLC

DIRECTORS, SECRETARY AND ADVISORS FOR THE YEAR ENDED 30 JUNE 2024

Directors	David Hobbs (Executive Chair) John (Jay) Cheatham (Chief Executive Officer) Robert (Bob) Rosenthal (Technical Director) Jeremy Brest (Non-Executive Director) Allegra Hosford Scheirer (Non-Executive Director) Linda Havard (Non-Executive Director)
Company Secretary	Ben Harber
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Company Number	05385506
Auditors	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
UK Legal Counsel	Bryan Cave Leighton Paisner LLP Governors House 5 Laurence Pountney Hill London EC4R 3AF Simmons & Simmons LLP CityPoint 1 Ropemaker Street London EC2Y 9SS
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Registrars	Computershare Investor Services plc PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH
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Nominated Adviser & Broker	Canaccord Genuity Limited 88 Wood Street, London EC2V 7QR
Communications & Public Relations	BlytheRay Communications Ltd 4-5 Castle Court, London EC3V 9D

PANTHEON RESOURCES PLC

**DIRECTORS, SECRETARY AND ADVISORS
FOR THE YEAR ENDED 30 JUNE 2024**

MZ Group
27422 Alison Creek Road, Suite 250
Aliso Viejo, California 92656
United States of America

**CHAIR'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

2024 has been a year of solid progress by a Pantheon team committed to delivering success for shareholders. In September of 2023 the Board adopted a refreshed strategy aimed at achieving sustainable investor recognition of a value of \$5-\$10 per barrel of proved resources and low case contingent resources within 5 years - in other words by late 2028. The past year has reinforced our belief that this is achievable and we remain committed to our objective of achieving these goals in the least dilutive manner possible.

Refining our Strategy to Commercialise the Growth in the Resource Base

Much of the past year has been focused on consolidating the extraordinary exploration success of the previous years and laying the foundations on which the strategy's delivery can be built. It was no small achievement that, over a three year period, the Company discovered and confirmed two substantial oil fields, Kodiak and Ahpun to add to the initial smaller scale success of the Alkaid-1 well from prior years.

Today Pantheon's certified contingent resources stand at 1.6 billion barrels of total marketable liquids (or 'ANS crude') across both major projects, with managements's pre-drill estimate of 0.6 billion additional barrels of prospective undiscovered ANS crude from the recently spudded Megrez-1 well. We hope to provide additional updates on the results shortly.

To maximise shareholder realisation of the value uplift from the recent discoveries, it was necessary to redirect the Company strategy to be laser focused upon development of the Ahpun and Kodiak projects. We needed to add the capacity to plan and effectively control the capital programmes, including identifying the engineering, regulatory and supply chain development aspects. We have continued to build these capabilities and I believe our brief period of foundation building has ended.

Development Planning and Timetable to First Production

A year ago, the anticipated development plan was based upon early production from the Alkaid Zone using the improved completion design. The work conducted by SLB (formerly Schlumberger) has established the ability to produce oil and natural gas liquids ("NGL") at commercial rates in a single stream to be exported through the Trans Alaska Pipeline System ("TAPS") and redelivered at Valdez as Alaska North Slope blend. However, once serious development planning work was underway, it became clear that it would be impossible to reinject natural gas into the Alkaid Zone reservoir at sufficiently high volumes over extended periods. Thus the optimum and earliest production candidate became the Ahpun field's western topsets, which exhibit 100x better permeability than the Alkaid Zone, sufficient to overcome the gas reinjection constraint.

The expanded estimated ultimate recovery ("EUR"), and the corresponding surface footprint, of the expanded project would be unlikely to achieve permitting approval under an environmental assessment ("EA"). Instead this larger scale project would require the Company to prepare an environmental impact statement ("EIS"), a more comprehensive and thus time consuming process. Access to TAPS would be required because an early production scheme based on trucking oil to Deadhorse might not generate positive net cashflows and certainly would not provide a return on the capital invested. TAPS access would require federal approval based on the EIS.

While the requirement for an EIS leads to a delay of some 18 months to a final investment decision ("FID") on the overall Ahpun development compared to the initial plan based on the Alkaid Zone alone, the new timetable allowed drilling the potential extension of Ahpun to the east of the Sag River and, in the success case, to incorporate it into the same development approval process. This would add enormous value to Pantheon's portfolio, and management estimates that it could potentially bringing the total recoverable oil and gas resources across all projects to more than 3.5 billion barrels of oil equivalent. First production is now expected in 2028, which leaves the strategic goal of achieving sustainable value recognition by late 2028 unchanged.

The inclusion of gas into the resource base became feasible following conclusion of a gas sales precedent agreement ("GSPA") with the Alaska Gasline Development Corporation ("AGDC") in June of 2024. With the prospect of monetising the methane resources, it also became feasible to consider the helium potential revealed in gas samples in the Theta West-1 well. The presence of helium appears to be unique to the Kodiak Field and would provide a significant uplift to the asset value if confirmed by subsequent appraisal drilling. We are actively evaluating plans to incorporate helium rights into the leases and for this to be a potential distinct revenue stream in the future.

**CHAIR'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

Short- and Long-Term Funding Strategy

Since presenting the renewed strategy for developing the Ahpun and Kodiak fields, a key focus for management has been securing the short term funding of appraisal and pre-development expenditures prior to FID and accessing long term funding of development expenditures post-FID.

In terms of long term funding, the Company began the year by pursuing a two-pronged approach, exploring the potential for vendor financing and off-taker financing. During negotiations, it became clear that the cost and dilution of the vendor financing would exceed that of the off-taker financing and management took the decision to narrow the focus on monetisation of the natural gas and potential helium resources as a strategy for reducing the future equity dilution of funding post-FID activity to reach cashflow self-sufficiency.

Recent progress, including the support of the Alaskan gas pipeline project by President-elect Trump and the Dunleavy Administration in Alaska, indicates that attempting to leverage the gas resources to fund the core oil field development is a clear path forward for us.

Governor Dunleavy's memorandum to Members and Members-Elect of the Alaska State Legislature in November 2024 set out the value proposition very clearly: Alaska LNG Project Phase 1 (the in-state pipeline) provides superior economics when compared to the alternatives, the full Alaska LNG project will dramatically lower long-term Alaska energy prices, and the Alaska LNG Project Phase 1 could deliver \$16 billion of additional benefits to the State compared to alternatives. Pantheon is committed to working with the State of Alaska to ensure these benefits are delivered because its advantaged resources (being low CO2 and with upside helium potential) place it in a unique position to help secure the development of long term strategic infrastructure.

Over the course of the fiscal year, the Company issued 37 million shares to supportive shareholders through private placements that maintained liquidity and created optionality on whether to pay the Convertible Bond ("CB") holder in cash or shares. The Company was successful in completing a \$29 million (before costs) capital raise, post fiscal yearend, in late July 2024. This provided sufficient funds to commit to drilling the Megrez-1 well and to continue with engineering and other activities to maintain the schedule to Ahpun FID and first production.

The flexibility afforded by equity issuance both during the fiscal year and afterwards allowed Pantheon to negotiate with counterparties from a stronger position than would otherwise have been the case. It was a significant contributor to securing the benefits of the relationship with the State of Alaska and AGDC. In the year ahead, we will seek to maintain the optionality for incremental capital formation – inclusive of equity, debt or other strategic avenues that may be available to us – to support any future strategic needs. As always, we will keep a sharp eye on minimizing dilution wherever practicable.

Shifting the Focus and Building the Foundation for an Initial Listing on a U.S. Senior Exchange

Until last year, the focus was on exploration and appraisal, growing the resource base and positioning the Company for a possible farm-out or disposal. Under the refreshed strategy, the focus becomes engineering and operations. In preparation for the planned listing on a senior U.S. exchange, the Company leadership is now U.S. based. In September, we announced the appointment of Philip Patman, Jr. as the Company's Chief Financial Officer following the decision by Justin Hondris to step down from his role as Finance Director. We are delighted to have been able to retain Justin's continuing contribution to the Company's success in his new role as Sr. Vice President for Finance and International Investment.

We recently announced the appointment of MZ Group – a U.S. investor relations specialists who will help us better establish Pantheon in the U.S. capital markets – as our Investor Relations Advisor, ahead of a potential listing on a senior U.S. exchange such as the Nasdaq or the NYSE. Additionally, we are working with two highly respected investment banking advisors that equip us to reach pools of capital in both North America and Asia that align with our improving risk and reward profile.

As we ready ourselves to comply with U.S. listing requirements, we have been able to step up the pace of change, with much of the background preparatory activity now complete. It should be noted that there are no current plans

**CHAIR'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

to cancel Pantheon's listing on the AIM Market of the London Stock Exchange. For as long as the UK market provides the greatest pool of liquidity and we have a significant base of shareholders invested through the London market, there is clear value in the listing.

In addition, the Board is being reshaped, towards an intended composition consistent with U.S. financial market norms, while continuing to meet all UK regulatory requirements. Succession planning for our most senior colleagues is also underway to prepare for a development program that will extend for years and even decades after the Ahpun field FID.

Building a Long-Term Incentive Plan to Best Align with Shareholder Interests

In October 2024, the Company announced the closing of its historical incentive schemes and replacement with an Employee Stock Ownership Plan ("2024 ESOP") designed to follow the principles, as far as practicable, of the Main Market of the London Stock Exchange. No awards had been made under the original scheme since January 2022 nor any awards ever under the reserves based plan that was cancelled in 2023.

The 2024 ESOP has reduced the ceiling for aggregate awards to 10% of the issued share capital over a 10 year period from 15% under the original plan. The terms of the 2024 ESOP and its operation by the Remuneration Committee of the Board will ensure challenging targets aligned with creation of shareholder value and the initial grants under its terms demonstrate this determination. Under the 2024 ESOP, 9.5 million Executive Share Options were awarded with an exercise price nearly 4x the prevailing share price (at the date of the award), with challenging performance targets and a five year vesting period. This was a statement of intent to put shareholders first while providing potential rewards that would attract and retain the talent needed for success. Some 4.8 million executive share options expired out of the money in September 2024.

Final Thoughts

Overall, the past year has seen a far more robust Pantheon emerging from this necessary period of consolidation. Many of the building blocks to achieve the strategic goals are now in place and we are confident that, once the market fully recognises the strength of the Ahpun and then Kodiak projects, the intrinsic value of the resource base will be recognised in the share price.

A key theme for the year has been deepening Pantheon's relationship with the State of Alaska through its key decision makers and to enhance the Company's recognition within the energy ecosystem in Houston. This does not happen overnight and involves laying the groundwork that may not always be publicly visible, though investors should no doubt appreciate that the Board and executive team at Pantheon are fully focused on the creation of sustainable shareholder value over the long-term. It is through this long term focus that the Company has built such a solid foundation this past year.

I would like to thank each and every one of our shareholders for their support, which ultimately makes Pantheon's continued success possible.

On Behalf of the Pantheon Board of Directors,

David Hobbs
Executive Chair
December 7, 2024

PANTHEON RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

As we reflect on progress made over the last year, I look back on 2024 as a year of foundation building. We have received independent validation of the best estimate contingent resources at an incredible 1.6 billion barrels of ANS crude. If we apply this resource to our targeted \$5-\$10 per bbl of resource, the size of the potential prize we are targeting is clear for all to see.

As David outlined, Pantheon is moving forward to reach FID at Ahpun during 2H 2027. As we prepare to build out the operational team in Houston, Texas for the next phase of our development journey at Ahpun, I have never been more confident in the future of Pantheon and of its potential for shareholder value creation.

Re-entry of Alkaid-2 Demonstrated Successful Improvement to Frac Design

The most significant event during the period was the re-entry of the Alkaid-2 well and flow test of the Shelf Margin Deltaic B ("SMD-B") Western Topsets horizon. This was successful and demonstrated producible oil from the SMD horizon in the Ahpun field, comprised of both the shallower SMD formation and the previously tested deeper Alkaid zone of interest ("ZOI").

The Company had three clear objectives:

- (i) To assess the efficacy of the revised frac design;
- (ii) To gather representative fluid samples for pressure-volume temperature analysis ("PVT"); and,
- (iii) To better determine the initial reservoir pressure

All three objectives were successfully achieved.

The Company's preliminary estimate of the efficiency of the frac was 50% of theoretical design performance and compares favourably with the calculated frac efficiency of c.20% experienced in the Alkaid-2 operations in the deeper ZOI accumulation the previous year. This improvement was the result of several key changes to the frac design, which allowed the frac to remain within the reservoir and validates the ability to achieve at least the planned for 2x improvement in frac efficiency in future.

Multiple fluid samples were gathered indicating a measured gas oil ratio ("GOR") of 3,000 - 4,000 standard cubic feet per barrel ("scf/bbl") and an API gravity of 35-36°. This compares to 12,000 - 13,000 scf/bbl measured in the deeper Alkaid ZOI. This indicates success in limiting pressure drawdown and avoiding flashing gas in the reservoir.

Working with AGDC to Accelerate Development of Alaska LNG

Pantheon is also working with the AGDC and the State of Alaska to accelerate development of Alaska LNG Project ("Alaska LNG") through the GSPA to address the projected supply shortfall of natural gas in South Central Alaska in the next few years.

Phase 1 of Alaska LNG focuses on construction of the gas pipeline and does not involve construction of an LNG plant, and as a result has a materially lower capex requirement and construction timeframe, allowing gas transportation as early as 2029. AGDC is aiming to undertake Front End Engineering and Design ahead of their FID planned for the middle of 2025.

The GSPA contains the key commercial terms to be incorporated into the binding take-or-pay Gas Sales Agreement ("GSA") to take effect after FID, including:

- Pantheon agrees to supply up to 500 million cubic feet per day ("mmcf/d") of natural gas at a maximum base price of \$1 per million BTU ("mmBtu") in 2024 dollars.
- The minimum daily contract volumes that are used to calculate the level of the take or pay obligation.
- Plateau natural gas deliveries for 20 years, with the potential for extension beyond that initial term.
- The State of Alaska has several options to reduce the natural gas unit price significantly by working with Pantheon to reduce the cost of project financing and/or enable other commercial opportunities, as specified in the GSPA.

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CHIEF EXECUTIVE OFFICER'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

The initial term of the GSPA is until June 30 2025, or until the definitive GSA is executed, whichever comes first. AGDC and Pantheon have begun working on meeting all the relevant conditions for their respective parts of the project to proceed within the planned schedule. For Pantheon, that includes hiring several engineering firms to help design the needed surface facilities.

Formal Award of Leases

In August 2024, Pantheon paid the remaining portion of the fees for the 46 new oil and gas leases acquired in the State of Alaska's 2023W Areawide oil and gas lease sale held in December 2023. This formal award was necessary before drilling the Eastern Topsets. The 46 new leases consist of an aggregate of 65,691 acres, 30 of which are located on the western boundary of the Kodiak Field and 16 of which cover the Ahpun East topset play (site of the Megrez -1 well).

Independent Expert Reports Highlight the Significant Potential in Pantheon's Portfolio

In order to help with negotiations for non-dilutive funding, Pantheon commissioned Independent Expert Reports ("IERs") for the shallower Ahpun Topsets and the deeper Alkaid Zone from Cawley Gillespie & Associates ("CGA") and Lee Keeling & Associates ("LKA") respectively, along with Netherland, Sewell & Associates, Inc. ("NSAI") at Kodiak.

Netherland, Sewell & Associates – Kodiak Field

NSAI had previously completed a Kodiak Field IER, and carried out an updated report to include the additional c.43,000 acres awarded in the updip portion of the Kodiak field. In the updated IER, NSAI's best estimates of Kodiak's contingent recoverable resources sum to 1.2 billion barrels of ANS crude (the mixture of oil, condensate and natural gas liquids) and 5.4 trillion cubic feet of gas ("tcf"). The new resource is a 25% increase (963 to 1,208 million barrels ("mmbbls")) in recoverable ANS crude compared to NSAI's previous 2023 report.

Our acreage acquisition strategy during the period focused on moving structurally higher into better reservoir rocks where porosity and permeability are substantially improved. The potential improvement in reservoir quality in the newly acquired acreage underpins the c.40% increase in the high estimate of recoverable resources to 2,840 mmbbls of ANS crude and 11.75 tcf of natural gas. The 5.4 tcf of recoverable gas (Best Case) is important as it provides additional support for a proposed agreement with AGDC to bring gas to southcentral Alaska markets.

Cawley Gillespie & Associates and Lee Keeling & Associates – Ahpun Topsets and Alkaid Zone

Pantheon also commissioned two further reports, covering the Alkaid horizon as assessed by Lee Keeling & Associates ("LKA") and additional topset horizons evaluated by Cawley Gillespie & Associates (CGA). The combined findings indicate strong contingent resources in oil, natural gas, and natural gas liquids (NGLs), supported by favourable economic models. Notably, in LKA's assessment of the Alkaid horizon, the base case includes 79 million barrels ("mmbbl") of ANS crude and 424 billion cubic feet ("bcf") of gas, with the NPV10 estimated to be \$0.2-0.5 billion.

CGA's analysis of the broader Ahpun field, focusing specifically on the western topsets, presents similarly promising estimates. The best estimate (2C) includes 282 mmbbl of ANS crude along with 804 bcf of gas. Given current assumptions, the NPV10 for CGA's 2C contingent resources is approximately \$1.7 billion, based on an \$80 per barrel price for Alaska North Slope crude. Their analysis also indicated that Ahpun's additional horizons have strong potential to contribute additional value and further diversify the field's resource base.

The positive economic models provided by both reports align with strategic goals for advancing development, with a targeted FID aimed at enabling production no later than 2028. When taken together, these assessments reinforce the commercial viability of Ahpun and positioning it as a promising asset within the Alaska North Slope, offering the potential for substantial long-term value creation.

Building In-House Capabilities in the U.S. to Support Stateside Operations

With an eye toward both a U.S. listing, and extensive future operations, the Company's leadership is now U.S. based. As announced in September, the appointment of Philip Patman, Jr. as Chief Financial Officer, based in Houston.

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CHIEF EXECUTIVE OFFICER'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

In addition, we promoted several key personnel within our organisation to lead us into the future. Pat Galvin was promoted to General Counsel from his prior role as Chief Commercial Officer and General Counsel of our Great Bear subsidiary. Josh McIntyre was similarly promoted from Chief Financial Officer of our GBP subsidiary to Group Financial Controller of Pantheon. These promotions, as well as strategic new hires such as Jonathan Kurtz as VP of Human Resources, recognise talent within and outside of the organisation as we prepare for the next leg up in our growth trajectory.

I want to make it clear that the Company will not spend, and has not, spent, any money on new hires or contractors until we have convinced ourselves that it is necessary and cannot be done in-house with existing personnel.

In the coming year, we intend to complete the basis of design for the Ahpun development, complete the studies to allow submission of documents needed for the regulatory approvals and, subject to funding availability, plan for two appraisal wells to firm up oil, NGL and natural gas resource estimates in addition to narrowing the range of prospective helium resources contained in Kodiak field associated gas.

Megrez-1 Well

The most significant activity of 2024 was the post-period spudding of the Megrez well on November 8th, 2024. Before drilling, management estimated the well to have a 69% geological chance of success of encountering a 2U Prospective Resources of 609 million barrels of ANS crude and 3.3 Tcf of natural gas – or over 1 billion BOE.

This has the potential to add significant incremental resources to our portfolio, independent of the progress we've made thus far. We had expected to spud slightly sooner but were delayed by high winds. We hope to provide additional updates on the results shortly.

Building the Foundation for Success in 2025 and Beyond

The improvement in our prospects boils down to the hard work of my colleagues throughout the organisation and I am sure you will join me in thanking them for their efforts on your behalf. Taken together, we are proud of our accomplishments in 2024 and the potential catalysts we are targeting in 2025.

Thank you to my fellow shareholders, partners, and staff for your support on our journey. I look forward to another exceptional year at Pantheon.

On Behalf of the Pantheon Team,

Jay Cheatham
Chief Executive Officer
December 7, 2024

**SECTION 172 STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company’s employees and other stakeholders, the impact of its activities on the community, the environment and the Company’s reputation for good business conduct when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this annual report how the Board engages with stakeholders.

- The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006. Furthermore, the Directors have had refresher training with their Nominated Advisor (“NOMAD”) of Director responsibilities in the application of AIM rules. This process encourages the Board to reflect on how the Company engages with its stakeholders and to identify opportunities for enhancement in the future and was considered at the Company’s board meetings. As required, the Company’s external lawyers and the Company Secretary can provide support to the Board to help ensure that sufficient consideration is given to issues relating to the matters set out in s172(1)(a)-(f).
- As part of its ongoing business, the Board regularly considers the Company’s principal stakeholders and how it engages with them. This is achieved through information provided by management via Regulatory News Service announcements, corporate presentations, webinars, teleconferences, analyst roadshows, shareholder meetings and also by direct engagement with stakeholders themselves.
- The Company aims to work responsibly with key identified stakeholders, including shareholders, employees, consultants, suppliers, advisors, government bodies and local communities where exploration and production activities take place.
- Key Board decisions made in the year are set out below:

Significant events/decisions	Key s172 Stakeholders	Actions and Consequences affected
Advancement of geological understanding of the Alaskan assets	Shareholders, Employees, State of Alaska, and Business Relationships	<ul style="list-style-type: none"> • The Board continued to refine its in-depth geological review of its Alaska North Slope assets. • In 2024 Pantheon received three IERs on its projects, certifying a C2 Contingent Resource estimate of 1.56 billion barrels of marketable liquids (oil, condensate & NGLs) and 6.6 Tcf of natural gas. This independent certification advanced the understanding of the assets and advanced the Group’s efforts towards development planning. • In 2022 the Company drilled and fracture stimulated the Alkaid-2 well and tested the primary target of that well, the ZOI. After encountering operational issues including sand blockages, the ZOI ultimately produced a combination of oil, condensate, NGLs and natural gas in quantities lower than pre drill estimates. After extensive analysis with 3rd party expert groups, the well was re-entered in Q3 2023 to test the shallower and independent SMD horizon. A new frac design was applied to great success, achieving efficiency rates estimated at +/-50% compared to the +/- 20% efficiency estimated in the deeper ZOI and announced to the market earlier in 2023. Additionally, the well was brought on stream more slowly, minimising the flashing of gas near and in the wellbore as had occurred in the deeper ZOI, and thus achieved a far superior gas oil ratio. The knowledge gained has enabled the Group to make great optimisation gains in both completion and testing practices for application in future

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		<p>operations, which is common for the learning curve of new fields as successive wells are drilled and tested.</p> <ul style="list-style-type: none"> The consequences of these actions were to materially increase (i) the resource potential of the projects, (ii) 3rd party validation of the potential, which is beneficial for future project funding and development, (iii) knowledge of the reservoir and of engineering design, and (iv) confidence in development of both the Ahpun and Kodiak projects for the potential benefit of all stakeholders through an advancement of the project, potential for value and revenue creation to shareholders, employees and the State of Alaska.
Growth in Resource	Shareholders, employees, State of Alaska, Service Providers	<ul style="list-style-type: none"> Pantheon successfully acquired key new leases in the 2023 lease sales which were formally awarded in summer 2024. The leases, which are all contiguous to the existing acreages and are covered with 3D seismic, contain material resource potential, increasing Pantheon’s resource position, particularly on the Kodiak and Ahpun – Eastern Topset project areas. Production of all resources results in economic benefit to shareholders through production revenues, and to the state, through royalties.
Continued operation of staff share option plan	Employees, long term consultants	<ul style="list-style-type: none"> The Company seeks to award an annual grant of share options to every staff member and permanent consultant pursuant to the staff share option scheme in order to attract and retain the highest quality staff, as well as to align interests with shareholders. That said, no share options were issued to staff since 2022. The consequence of this decision was to demonstrate an alignment to shareholders at a time when the stock price was not performing. This decision was made despite the considerable other achievements made during the year. Notwithstanding, the annual grant of share options to staff under the scheme is considered a suitable mechanism to retain, attract and motivate staff to achieve successful outcomes and to provide a mechanism for staff to benefit from future share price outperformance, aligning staff interests with that of shareholders - and to help management retain and attract the highest quality personnel. After the year end, in October 2024, Pantheon announced the implementation of an updated staff share option scheme with an associated grant of options to Executive Directors and Restricted Stock Units (“RSUs”), which vest over time, to Executive Management and other staff. After a period of no such grants, the consequence of this action was to provide incentives aligned to share price growth.
Increased interaction with key stakeholders	Shareholders, Employees, State of Alaska, Other Business Relationships	<ul style="list-style-type: none"> Directors and Executive Management conducted a number of webinar style shareholder presentations outside of the traditional Annual General Meeting (“AGM”), which all shareholders and non-shareholders were invited to attend, in addition to a number of video interviews. The Group also held a number of broker non deal roadshows and technical presentations with industry and with the State of Alaska,

**SECTION 172 STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

		<p>working with them to ensure they are fully apprised of the Group’s intended plans.</p> <ul style="list-style-type: none"> • The Group worked closely with AGDC, ultimately signing a Gas Sales Precedent Agreement on 5 June 2024, to collectively pursue the advancement of phase 1 of the proposed Alaska LNG. • The Group interacted with departments of the State of Alaska, presenting its geological findings from drilling activities, as well as working on planning, permitting and other necessary actions considered necessary for the advancement of the project. • The Group utilised the services of many local service providers for services such as development planning, engineering design, rig hire, road construction etc, providing material service income for those companies. • The Group increased the level of granularity in stock exchange announcements and webinars, to allow stakeholders transparency of capital requirements and targeted project timelines. • The Board reaffirmed its strategy to achieve sustainable market recognition of \$5 - \$10 per barrel of resource. • The consequence of these actions was to create a greater level of understanding of the Group’s projects and intended activities and to strengthen relationships with government and stakeholders, as well as to clearly describe the ambitions in terms of targeted value recognition for shareholders.
<p>Implementation of development strategy</p>	<p>Shareholders, Employees, State of Alaska, and Business Relationships</p>	<ul style="list-style-type: none"> • Pantheon reaffirmed in detail its strategy to bring the Ahpun and Kodiak projects into development, targeting a final investment decision (FID) on Ahpun by 2H 2027 and Kodiak by 2029. • Pantheon has continued the process to apply for a hot-tap directly into the TAPS, as well as completed engineering studies related to the environmental permitting requirements to facilitate the sale of ANS crude directly into TAPS. • Pantheon outlined in stock exchange announcements its estimation of funding requirements to achieve key milestones. • Pantheon continued discussions with various potential counterparties for the possible provision of non equity finance for the Group. A number of industry parties have entered Pantheon’s data room as part of this process. • Pantheon continued work towards sourcing capital to fund Pantheon’s future activities as well as to pursue a potential US IPO on either NYSE or NASDAQ. • The consequence of these actions has been to give shareholders and other stakeholders a clear visibility of Pantheon’s intended project development timeframes, milestones and capital requirements, and to put in place necessary preparations to access project and development capital, as the Company seeks to move into development and production.
<p>Increased Corporate Governance</p>	<p>Shareholders, employees,</p>	<ul style="list-style-type: none"> • In the 2024 fiscal year Pantheon appointed two new independent non-executive directors, Allegra Hosford

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**SECTION 172 STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

	Business Relationships	<p>Scheirer and Linda Havard. Linda has decades of experience in financial and CFO roles and became the Chair of the Audit Committee, the forerunner to the Finance, Audit and Risk Committee. Following this appointment Pantheon had a total of 7 Directors. This continued until the September 2024 resignation of Justin Hondris, after which, the Board had 6 Directors.</p> <ul style="list-style-type: none"> • In preparation for a possible US stock market listing, Pantheon has appointed a specialist outsourced advisory firm to assist in bringing the Group up to a Sarbanes-Oxley level governance and compliance. • Pantheon retained the law firm of Orrick, Herrington & Sutcliffe LLP (“Orrick”) to assist with advising the Group on corporate preparations for an IPO on either NYSE or NASDAQ. • The consequence of such actions is to improve the level of governance and diversification which is to the benefit of all stakeholders.
Addition of incremental key leases in the December 2023 lease sale	Shareholders, Employees, State of Alaska, and Business Relationships	<ul style="list-style-type: none"> • Pantheon was the successful bidder for 65,691 acres of new leases in the December 2023 lease sales which were formally awarded after year end, in August 2024. All leases were immediately adjacent to existing leases and add material resource potential for shareholders. • The consequence of this acquisition was to build Pantheon’s resource potential, which benefits the state in terms of future production royalties and other economic benefits. Future development activities will, among other things, result in hiring additional local staff, contracting local service providers etc.

This report was approved by the Board on December 7, 2024 and signed on its behalf.

Jay Cheatham
Chief Executive Officer
 December 7, 2024

**CHIEF FINANCIAL OFFICER'S REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Financial Review

The Group made a loss from Continuing Operations after Taxation for the fiscal year ended 30 June 2024 of \$11.5m, versus a 2023 loss of \$1.5m. This result was materially impacted by the revaluation of the derivative component of the convertible bond of a \$0.3m loss in 2024, versus a profit of \$11.3m in 2023. Notably, after adjusting for the derivative revaluation of the convertible bond (and leaving aside any resulting UK tax consequence), the adjusted loss of \$11.2m in 2024 is \$1.6m lower than the adjusted loss of \$12.8m in 2023.

In December 2021, the Company completed a refinancing through the issuance of a \$55m convertible bond. The convertible bond is for a 5 year term, repayable in quarterly instalments in cash or shares (at the Company's election) and carries an interest coupon of 4% per annum. At the date of this report, the principal outstanding on the Convertible Bond is \$17.2m. A summary of the key bond terms is provided at note 15.

Impairments

In accordance with International Financial Reporting Standard 36 'Impairment of Assets' (IFRS 36), exploration and evaluation assets are reviewed for indicators of impairment. Should indicators of impairment be identified an impairment test is performed.

The Group has reviewed these assets for indications of impairment, and that there are no indicators of impairment in the current year. Additional details are provided in note 13 (Exploration and evaluation assets) to the financial statements.

Capital Structure

The Company made several issuances of fully ordinary shares during the year as outlined below. During the year the Company did not grant share options to staff under the Discretionary Share Option Plan (the "Scheme"). A summary of movements in share-based payments is provided at note 23 (Share-based payments).

Some headline details of ordinary shares issued during the year were as follows (with additional information provided in note 19 (Share Capital) to the financial statements:

- In September, 2023, the Company completed an equity placing, issuing 11,905,370 new ordinary shares at an issue price of £0.1878 pence per share, raising approximately \$2.79m before expenses to IPGL Limited, an existing supportive long term shareholder of Pantheon. The proceeds were applied towards the payment of the September 2023 quarterly bond repayment in cash.
- In November 2023, the Company announced an equity placing on deferred settlement terms (completed January 2024), issuing 16,286,343 new ordinary shares at an issue price of £0.208 pence per share, raising approximately \$4.15m before expenses. The proceeds were applied towards the payment of the December 2023 quarterly bond repayment in cash.
- In March, 2024, the Company completed an equity placing, issuing 8,820,315 new ordinary shares at an issue price of £0.244 pence per share, raising approximately \$2.74m before expenses to IPGL Limited, an existing supportive long term shareholder of Pantheon. The proceeds were applied towards the payment of the March 2024 quarterly bond repayment in cash.
- In June, 2024, the Company completed an equity placing, issuing 7,471,153 new ordinary shares at an issue price of \$0.364 per share, raising approximately \$2.72m before expenses. The proceeds were applied towards the payment of the June 2024 quarterly bond repayment in cash.
- Also in June, 2024, the Company completed an equity placing, issuing 9,230,080 new ordinary shares at an issue price of \$0.364 per share, raising approximately \$3.36m before expenses. The proceeds were applied to general corporate purposes.

As at 30 June 2024 the total shares in issue was 960,919,660 (2023: 907,206,399).

As at 30 June 2024 the Company had 4,802,922 warrants outstanding to acquire non-voting convertible shares, convertible into ordinary fully paid shares on a 1:1 basis. The warrants had an exercise price of £0.30 per share, however all expired without being exercised on 30 September 2024.

**CHIEF FINANCIAL OFFICER'S REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

As at 30 June 2024 the Company had 45,635,000 options outstanding to acquire ordinary shares (2023:45,635,000) at an average exercise price of £0.477 (2023: £0.477) per share. At year end all share options were fully vested. In September, 2024, subsequent to year end, 4,825,000 of these share options expired.

Going concern

In June 2023 Pantheon communicated to shareholders via RNS and accompanying webinar, its aggressive strategy to target sustainable market recognition of a value of \$5 - \$10 per barrel of 1P/1C recoverable resource by the end of 2028. This target is unchanged. The FID on the Ahpun project is now expected to be delayed to 2H 2027, with the FID on the Kodiak project by 2029. This impacts the date of first production, now anticipated in 2028, and coupled with increased project definition and workscope increases the funding requirement to first production to approximately \$150 million. Executing such a strategy requires significant additional capital, most of which the Company seeks to access through non equity sources. The Group will also need to secure additional funding for general working capital, to cover future obligations as and when they fall due to continue to progress its key projects, and to continue its proposed US IPO preparations as planned within the next 12 months following approval of these financial statements and the Group seeks to secure such funding by Q2 or Q3 of fiscal year 2025 (for clarity, at latest, Q1 of calendar year 2025), in the least dilutive manner for shareholders. This process is presently underway, and Pantheon is procuring appropriate assistance from its appointed investment banks and other advisors. The auditors have made reference to this material uncertainty in their audit report.

We believe that Pantheon's position has improved materially over the past 12 months as a result of the achievement of some major milestones, all of which greatly increase the Group's confidence in securing its overall funding requirement to reach first production. These milestones included receipt of IERs on three of its projects, specifically (i) Kodiak, (ii) Ahpun – Alkaid, and (iii) Ahpun – Western Topsets, which when combined certified, in aggregate, a 2C Contingent Resource of 1.6 billion barrels of ANS Crude and 6.6 Tcf of natural gas. Critically however, these IERs estimated a project NPV10 of \$1.9 -\$2.2 billion for the Ahpun – Alkaid and Ahpun – Western Topset projects combined. An NPV estimate based on discounted net present value has not yet been commissioned for the much larger Kodiak project, but it would clearly be materially accretive to the intrinsic value of Pantheon's asset base. The importance here is that Pantheon retains 100% working interest in each of these projects, which have enormous potential value, and these large valuations and certified resources give the Company great flexibility in raising non-equity funding. This includes the ability to leverage any success in the Megrez-1 well and the value attributable to gas resources should Alaska LNG Phase 1 proceed. In accessing additional capital, Pantheon's goal is to achieve this in the least dilutive manner for shareholders, minimising the use of equity capital and by prioritising such alternate funding sources.

The Company believes that the enormous size of the resource already appraised on Pantheon's acreage provides the potential for more than five hundred wells. Whilst in absolute terms this would entail cumulative investment estimated in the billions of dollars over the lifetime of the project, and whilst the future costs and revenues are uncertain, Pantheon currently estimates that the maximum negative cumulative outlay over the lifetime of the project could be as high as \$300 million. Once in full development, it is believed that production revenues would have the potential to self-finance the remaining development costs, as would typically be the case in such developments. Furthermore, the Company could fund a substantial portion of the maximum negative cumulative outlay could through debt secured by expected future revenues from gas and other hydrocarbon sales. The Group has no contractual obligation to drill any future wells and the only obligation is to plug and abandon the Talitha-A test well, the estimated cost of which (\$1.6m) has already been provided for in the financial accounts. Given the quality and advancement of the assets, the Company is optimistic in its ability to raise capital as and when required. Accordingly, the financial statements have been prepared on a going concern basis.

Taxation

The Group incurred a loss for the year and has recorded a taxation benefit of \$1.8m (2023: expense of \$0.1m). As the tax credit is all reflected in the movement in deferred tax, the Company has adjusted deferred tax liability by the same amount as the tax benefit.

Risk assessment

The Group's oil and gas activities are subject to a variety of risks - both financial and operational - including, but not limited, to those outlined below. These and other risks have the potential to materially affect the financial

**CHIEF FINANCIAL OFFICER'S REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

performance of the Group. For additional detail see section Key Operational Risks and Uncertainties in the Strategic Report on pages 20-22.

Liquidity Risk

As the Group did not generate material revenue from hydrocarbon production during the year (all production revenues were generated through the sale of oil during a short term testing operation), the primary liquidity risk is the ability to adequately source sufficient funding to meet the Company's working capital, capital expenditures, and operational requirements. Funding availability, and hence risk, within the capital markets and for industry transactions remains uncertain as a result of global economic conditions, including the impact of increased interest rates, inflation, political and environmental factors.

Oil & Gas Price Risk

Future oil and gas sales revenues are subject to the volatility of the underlying commodity prices throughout the year. Over the past few years, the energy sector has been impacted by volatility in commodity prices, which may continue to impact the Group going forward. Being for all practical purposes pre-production, the Group did not engage in any commodity price hedging activity during the year.

Currency Risk

Most capital expenditures for the year (and future years), as well as possible future operational revenues from oil sales were or will be denominated in US dollars. The Group keeps the majority of its cash resources denominated in US dollars to minimise volatility and foreign currency risk. The Group did not engage in any foreign currency hedging activity during the year.

Credit Risk

The Group's credit risk is primarily attributable to its cash balances. The credit risk on liquid funds is limited because the third parties are large banks with a minimum investment grade credit rating. The Group's total credit risk amounts to the total of other receivables and cash and cash equivalents. The Group's does not have any joint venture partners.

Financial Instruments

At this stage of the Group's activities it has not been considered appropriate or necessary to enter into any derivatives strategies or hedging. Once the Group's production revenues increase substantially, such strategies will be reviewed on a more regular basis.

Philip Patman, Jr.
Chief Financial Officer
December 7, 2024

PANTHEON RESOURCES PLC

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2024

Principal activity

The Company is registered in England and Wales, having been incorporated under the Companies Act with registered number 05385506 as a public company limited by shares. The principal activity of the Group is the investment in oil and gas exploration, appraisal and development. The Group operates in the U.K. through its parent undertaking and in the US through subsidiary companies, details of which are set out in note 8 to these accounts.

Review of the Business and Key Performance Indicators

2023/2024 KPI	Measurement	2023/2024 Performance
Ensure business adequately funded	Fund raise where appropriate	The Company completed a \$22m fundraising (gross proceeds) in May 2023 shortly before the commencement of the financial year. During the financial year the Company serviced its convertible bond quarterly repayments through the issuance of equity, or via discreet equity placements to long term strategic shareholders to allow the proceeds to be applied towards cash settlement of the bond repayment. The Company completed an equity placement in late July 2024, shortly after year end, where it raised \$29 million before costs.
Establishment of US head office	Sourcing, establishment and staffing of US office.	During the year Pantheon established a head office in Houston, Texas, the energy capital of the US. Since publication of last year's annual report, the Chair has relocated to Houston where Pantheon has leased office space at an attractive rate, and shortly after the end of the fiscal year, recruited new Houston based personnel including a Chief Financial Officer and a VP of Human Resources.
Ensure appropriate levels of governance	Continue to implement and improve governance standards	<p>Following the appointment of Allegra Hosford Scheirer as an independent Non-Executive Director ("NED") in the previous year, in January 2024 the Board appointed Linda Havard as an additional independent NED. At the time of publication of this report, Pantheon has 6 directors, 3 of which are non executive directors.</p> <p>The Company has also announced its intention to prepare for a possible US stock market listing and as part of this has engaged with a 3rd party expert group to assist in bringing Pantheon's governance and control systems up to US Sarbanes-Oxley standards. This work is ongoing and is driving towards the objective that governance and control processes will be enhanced significantly across the Group, to the standard expected for a US-listed company.</p>
Operational activity in Alaska	Drilling / testing wells	During the fiscal year, the Alkaid-2 well was re-entered and the independent and shallower SMD horizon was flow tested and an improved fracture stimulation methodology was successfully applied, demonstrating materially improved estimated frac efficiencies. After the fiscal year, specifically in November, 2024, Pantheon spudded the Megrez-1 well on the Ahpun-Eastern Topset project area. Drilling operations are ongoing as of the date of this report.
Third party expert validation of Alaskan assets	Receipt of third party expert reports	<p>During the year, three IERs were completed on the Group's projects:</p> <ol style="list-style-type: none">1. Netherland Sewell & Associates published a report estimating a 2C Contingent Resource of 1.2 billion barrels of marketable liquids (oil, condensate, NGLs) and 5.4 trillion cubic feet (Tcf) of natural gas on the Kodiak project.2. Cawley & Gillespie & Associates published a report estimating a 2C Contingent Resource of 282 million barrels of marketable liquids and 0.8

PANTHEON RESOURCES PLC

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2024

		<p>trillion cubic feet (Tcf) of natural gas on the Ahpun – Western Topset project.</p> <p>3. Lee Keeling & Associates published a report estimating a 2C Contingent Resource of 79 million barrels of marketable liquids and 0.4 trillion cubic feet (Tcf) of natural gas on the Ahpun - Alkaid project.</p>
Consider farmout or project development options	Progress towards farmout or project development	<p>Pantheon’s understanding of the geological potential (and therefore economic potential value) of the assets has increased materially. This has been further supported by the three IERs received on the Group’s projects. The Group’s revised strategy prioritised the Company developing the assets on its own rather than pursuing a farmout in the short term, with FID on the Ahpun project targeted for 2H 2027, first production of oil in 2028, and FID on the Kodiak project targeted by 2029. The Group believes that greater value can be generated for shareholders by following this strategy. In the meantime, the Company has commenced the process to work towards obtaining a hot-tap into the TAPS (Trans Alaska Pipeline System) pipeline to enable it to sell its future production directly into the pipeline.</p> <p>Additionally, in June 2024, the Group executed a GSPA with the AGDC with the ambition of using Pantheon’s natural gas to supply the proposed natural gas pipeline, defined as Phase 1 of Alaska LNG. Under the proposed terms Pantheon would supply its natural gas at beneficial terms in exchange for funding support or significant loan guarantees, estimated to be sufficient to materially lower the Group’s capital expenditures requirement to first production.</p>
Ensuring continued high-quality technical consultant relationships	Establish and maintain relationships with industry experts and review performance	Pantheon’s technical team enjoyed another year of continuity. Experts such as eSeis, AHS Baker Hughes and SLB remain contracted and work with all these partners continues. Pantheon also contracted with three independent expert groups during the year for the provision of IERs to provide resource estimates on the Group’s projects.
Continue to build and refine resource potential	Estimated resource	Pantheon successfully acquired 65,691 new acres following the lease sales of December 2023 which were formally awarded in August 2024. The new areas contain material resource potential on the Ahpun Eastern Topset Project and to the updip north western extension of the existing Kodiak acreage in shallower depositional setting where reservoir properties are forecast to be high quality. During the year the Company received three IERs estimating a combined 2C contingent resource of c.1.6 billion barrels of ANS crude and 6.6 Tcf of natural gas.
Ensure close working relationship with the State of Alaska and regulators	Monitor interaction with regulators paying interest to approvals processes, timelines, and other procedural issues	<p>The Group worked closely with the regulator, including detailed technical briefings discussing the analysis of well performance and interpretation of data sets, communication of future plans, concepts for long term production testing, flaring of gas, environmental matters, and future development aspirations. The Group continues to work with key stakeholders for the purposes of obtaining a hot-tap into the main pipeline and with respect to provision of Pantheon’s natural gas into the proposed Alaska LNG.</p> <p>The State of Alaska receives a royalty on all future oil and gas production on Pantheon’s projects.</p>

Financial Position and Future Prospects

Please refer to the Director’s Report for additional information on strategy and the business model.

Key operational risks and uncertainties

The Group may be unable to meet its lease obligations

In general, the Group's properties are held under oil and gas leases. The terms of the Group's leases often provide for yearly rental payments. Such yearly rentals may vary depending upon the particular lease and whether the Group has commenced activities in the property. If the Group defaults on its lease payments, its leases may be automatically terminated. If the Group is unable to make these payments and its leases are terminated, there could be a material adverse effect on its business, financial condition and results of operations. Managing the lease position is of material importance for the Group, and management devote considerable time to lease management, budgeting and planning, consulting with the State of Alaska where required. Leases generally have a 10-year initial term, \$10 per acre rentals and low royalties of between 12.5% – 16.7% to the State of Alaska.

The Group may be unable to renew and/or extend its leases once they expire

The Group's lease agreements are subject to termination following their initial term, unless extended by production or being included in a unit. Unitization recognises that the Group has established, to the State's satisfaction, that the unit encompasses all or part of one or more potential hydrocarbon accumulations. Exploration and/or production activities are usually a prerequisite for unit formation. If the Group is unable to secure unitization for some leases on a timely basis, it may lose its rights in these properties when the initial term expires. In addition, given that it may not be able to renew certain leases unless it begins exploration or production activities within specific timeframes, the Group may be required to invest significant funds at timetables not optimal in order to meet the work requirements necessary to secure a unit. If the Group is unable to extend its leases beyond their primary terms, there could be a material adverse effect on its business, financial condition and results of operations. To mitigate this risk, the Group has successfully applied for and been granted the Talitha and Alkaid Units that contain much of the Ahpun project and some of the Kodiak projects. Most of Pantheon's Kodiak project is now covered by leases of c.5 years or more of remaining initial term.

The Group may be unable to access sufficient capital to adequately progress its projects

Continued appraisal and development of the Group's projects requires access to additional capital. Whilst the Group is confident that the quality of its assets should enable it to access additional capital, there can never be guarantees that such capital will be available as and when required. To mitigate this risk the Group continues to consider capital from various sources including equity, non-equity sources, mezzanine debt, as well as industry transactions such as farm outs. The receipt of three independent expert reports which estimate a combined total of c.1.6 billion barrels of ANS crude together with c.6.6 Tcf of natural gas give the Group great confidence that it will be able to attract finance in the future. Additionally, initiatives such as the Gas Sales Precedent Agreement executed with Alaska Gasline Development Corporation provide potential for additional non equity funding.

Our operations require the Group to obtain licensing, planning permissions and other consents

The development of its current and future leases may be dependent upon the receipt of planning permission from the appropriate local authorities, as well as other necessary consents, such as environmental permits and regulatory consents. Obtaining the necessary consents and approvals may be costly, and they may not be granted, may be withdrawn or made subject to limitations and conditions. Certain permits and consents may also become contentious in the future, which may lead to these not being granted or withdrawn. The failure to gain such permissions or gain such permissions on terms or at a cost acceptable to the Group, may limit the Group in its ability to develop and extract value from its leases and could have a material adverse effect on its business, results of operations, financial conditions and prospects. To manage the risk, the Group employs experienced and qualified personnel, supplemented by consulting firms where appropriate, who have successfully advised on or obtained licenses and permits in the past, and who maintain working relationships with regulatory agencies.

Political conditions and government regulations could change and have a material effect on the Group's results or operations

Although political conditions in the Northern Slope Borough, the State of Alaska and the United States federal government are generally stable, changes may occur in their political, fiscal and/or legal systems, which might adversely affect the Group's operations. The Group's strategy has been formulated in light of the current regulatory environment and probable future changes to the regulatory regime. In 2021 the federal government

adopted a more cautionary position with respect to operations on federal land, notably with respect to ConocoPhillips's Willow project; however, even in that case, through ongoing consultation, a suitable compromise was reached allowing the project to be developed. Helpfully, unlike the Willow project, Pantheon's projects are all located on state land, not federal land, and therefore have not been negatively impacted by such politics. Although the Group believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules, laws and regulations will not be enacted, or that existing or future rules and regulations will not be applied in a manner which could serve to limit or curtail exploration or development of the Group's business or have an otherwise negative impact on its activities. Amendments to existing rules, laws and regulations governing the Group's operations and activities, or increases in or more stringent enforcement, implementation or interpretation thereof, could have a material adverse impact on the Group's business, results of operations and financial condition.

Future legal proceedings could adversely affect the Group's business, results of operations or financial condition

The Group may face legal proceedings that may result in the Group having to pay material damages and/or other remedies. While the Group would assess the merits of each legal proceeding and defend the Group accordingly, it may be required to incur significant expenses or devote significant resources to defend against such legal proceedings. In addition, legal proceedings are also difficult to predict, which may force the Group to enter into settlement arrangements even in the absence of any culpability from its part. Furthermore, the adverse publicity surrounding legal proceedings may negatively affect the Group's relation with local communities, government and non-government organizations, which could also impact the Group's activities. As a result, legal proceedings could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. To manage this risk the Group consults legal counsel when it faces potential legal proceedings. The Board and management consult legal counsel when conducting activities or entering into agreements that are viewed to have the potential to give rise to material legal proceedings.

The Company has had two of its subsidiaries involved in litigation in Texas, with the case styled Pantheon Oil & Gas LP and Pantheon East Texas LLC v. Kinder Morgan Treating, LP, Cause No. 2021-41735, in the 113th Judicial District Court of Harris County, Texas.

The case proceeded to trial in late October and the jury rendered a verdict in favor of Pantheon Oil & Gas on all counts. Following the verdict, Pantheon Oil & Gas and Pantheon East Texas filed a motion for entry of final judgment in their favor, along with a request for a discretionary award of attorney fees. Kinder Morgan Treating has filed a motion for judgment in its favor notwithstanding the verdict and a pleading challenging Pantheon Oil & Gas and Pantheon East Texas's claim to recover attorney fees. Those post-trial motions are set for hearing in mid-January 2025.

Failure to manage relationships with local communities, environmental groups and non-government organizations could adversely affect the Group's future growth potential

The activities of oil and gas companies often face scrutiny from the public and receive negative publicity. Although the Group's operations are not located in or near large communities, the Group's ability to further expand its operation may be hindered by communities that may regard oil and gas activities as detrimental to their environmental, economic or social circumstances. Furthermore, oil and gas companies are also increasingly facing scrutiny by environmental groups regarding the effect operations may have on the animal life in the region. Negative reaction to its operations could have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation. Such events could give rise to material reputational damage. These disputes are not always predictable and may cause disruption to projects or operations. Failure to manage relationships with local communities, environmental groups and non-governmental organisations may adversely affect the Group's reputation, as well as its ability to commence production projects in certain locations, which could in turn affect its long-term prospects and the Group's business, financial condition and results of operations. The Group's current leased acreage is not in the immediate vicinity of any local community. To manage this risk the Group ensures that it conducts operations in a legal and responsible manner and complies with applicable rules and regulations.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Any change to government regulation/administrative practices may have a negative impact on the Group's ability to operate and its future profitability

The business of oil and gas exploration and development is subject to substantial regulation under federal, state, local laws relating to the exploration for and the development of upgrading, marketing, pricing, taxation, and transportation of oil and gas and related products and other matters. Amendments to current laws and regulations governing operations and activities of oil and gas exploration and development operations could have a material adverse impact on the Group's business. In addition, there can be no assurance that tax laws, royalty regulations and government incentive programs related to the Group's oil and gas properties and the oil and gas industry generally, will not be changed in a manner which may adversely affect the Group's prospects and cause delays, inability to explore and develop, or abandonment of these interests. Furthermore, permits, leases, licenses and approvals are required from a variety of regulatory authorities at various stages of exploration and development. There can be no assurance that the various government permits, leases, licenses and approvals sought will be granted in respect of the Group's activities or, if granted, will not be cancelled, or will be renewed upon expiry. There also can be no assurance that such permits, leases, licenses and approvals will not contain terms and provisions which may adversely affect the Group's exploration and development activities. If any of the foregoing were to occur, it could have a material adverse effect on the Group's business, financial condition and results of operations. To manage the risk, the Group employs experienced personnel and contractors who have successfully obtained licenses and permits in the past, and who maintain working relationships with regulatory agencies and monitor changes that could impact the Group.

By order of the board.

Linda Havard
Director
December 7, 2024

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

The Directors present their report together with the audited accounts of Pantheon Resources plc (“Pantheon” or the “Company”) and its subsidiary undertakings (together the “Group”) for the year ended 30 June 2024.

Results

The Group results for the period are set out herein beginning on page 42. The Directors do not propose to recommend any distribution by way of a dividend for the years ended 30 June 2024, and did not for the fiscal year 2023.

Future Developments

The Group announced a refreshed strategy in late summer 2023, where it outlined its goal of achieving FID by end 2025, subsequently amended to 2H of 2027 on the Ahpun project and by 2029 on the Kodiak project. The Group also announced that it was considering a listing or dual listing on a US stock exchange, possibly NYSE or NASDAQ, and/or was also considering the merits of a listing on the main board of the London Stock Exchange as part of its strategic thinking. This work is ongoing. The Group also announced it had commenced the process of working towards a hot-tap into the TAPS, to allow the sale of future production directly into the pipeline. Additionally, Pantheon has executed a GSPA with AGDC for the intended future supply of Pantheon’s natural gas into the proposed 800 mile natural gas pipeline (Phase 1 of the Alaska LNG project) from the Alaska North Slope to Nikiski in Alaska’s south. Southcentral Alaska is facing an impending energy crisis and is actively evaluating its options to best resolve this near term issue. In September 2024, Wood Mackenzie published a draft report on Alaska LNG, which concluded that gas supply via the proposed pipeline (when compared to other alternatives such as importing LNG) provides higher economic impact, jobs and lower delivered costs by stimulating demand, despite requiring higher capital expenditures. The commercial arrangements agreed to between Pantheon and AGDC involve Pantheon supplying its natural gas into the pipeline at beneficial rates in exchange for providing commercial support to reduce the cost of project financing and/or enable other commercial opportunities, as specified in the GSPA. In November 2024, Wood Mackenzie published their final report on Alaska LNG which concluded that the Alaska LNG project would, in their opinion, deliver material economic benefits to the State of Alaska. These conclusions were echoed by Governor Dunleavy. In addition, President-elect, Donald Trump, made very supportive statements in support of the proposed gas pipeline (Phase 1, Alaska LNG).

Information to shareholders – website

The Group maintains its own website (www.pantheonresources.com) to facilitate provision of information to external stakeholders and potential investors and to comply with Rule 26 of the AIM Rules for Companies.

Group structure and changes in share capital

Details of the Group structure and the Company’s share capital during the period are set out in Notes 8 and 17 to these accounts.

Directors

The Directors who served at any time during the year were:

Name	Role
David Hobbs	Executive Chair
John Cheatham	Chief Executive Officer
Justin Hondris	Director, Finance & Corporate Development – resigned 27 September, 2024
Robert Rosenthal	Technical Director
Jeremy Brest	Non-Executive Director
Allegra Hosford Scheirer	Non-Executive Director – appointed 3 July, 2023
Linda Havard	Non-Executive Director – appointed 1 January 2024

Directors’ interests

The beneficial and non-beneficial interests in the Company’s shares of the Directors and their families were as follows:

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Name	Number of Ordinary shares of £0.01 30-Jun-23	Number of Ordinary shares of £0.01 30-Jun-24
David Hobbs	1,717,229	3,697,684
John Cheatham	4,235,346	4,235,346
Justin Hondris ⁽¹⁾	1,844,753	1,844,753
Robert Rosenthal	1,353,758	1,867,821
Jeremy Brest	1,379,703	2,322,608
Allegra Hosford Scheirer	Nil	Nil
Linda Havard	Nil	Nil

(1) Some of these ordinary shares are beneficially owned by the spouse of J Hondris.

Share options and restricted stock units

The Directors held the following share options of Ordinary shares of £0.01, at the beginning and end of the year:

Director	As at 30 June 2023 ⁽¹⁾	Granted during the year ⁽²⁾	Exercised during the year	As at 30 June 2024
David Hobbs	-	-	-	-
John Cheatham	10,060,000	-	-	10,060,000
Justin Hondris	8,340,000	-	-	8,340,000
Robert Rosenthal	6,075,000	-	-	6,075,000
Jeremy Brest	1,500,000	-	-	1,500,000
Allegra Hosford Scheirer	-	-	-	-
Linda Havard	-	-	-	-

1. Comprising a combination of previously vested share options granted in 2014, 2020, 2021 and 2022.
2. No share options were granted or exercised during the year.
3. Subsequent to year end, in September, 2024 a total of 4.825 million 2014 series share options expired without exercise.
4. Subsequent to year end, in October 2024, the Group issued a total of 8 million share options to Directors. These share options vest over 5 years, are subject to additional performance based vesting conditions and have an exercise price of \$0.835, representing a 290% premium to the share price the day prior to grant.

Report on Directors' remuneration and service contracts

The service contracts of all the Directors are subject to a three-month termination period.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Directors' remuneration

Director	Fees/basic salary (\$)	Pension Contributions (\$)	Health Insurance (\$)	2024 Total (\$)	2023 Total (\$)
D Hobbs ⁽¹⁾	252,654	-	15,598	269,544	11,365
J Cheatham	427,769	-	-	433,370	525,163
J Hondris ⁽²⁾	439,925	21,905	7,275	469,105	448,920
R Rosenthal	395,205	-	-	395,205	372,389
J Brest	41,481	-	-	41,481	39,931
A Hosford Scheirer	41,481	-	-	41,481	-
L Havard ⁽³⁾	20,741	-	-	20,741	-
Total	1,619,256	21,905	29,766	1,670,927	1,397,768

(1) D Hobbs contract covers 3 days per week

(2) J Hondris resigned as a director subsequent to year end, on 27 September, 2024

(3) Appointed 1 January, 2024

Share Option Plan

The Company has in place a Share Option Plan for the long term benefit of all staff and permanent consultants, designed to incentivise staff for outperformance, and as a tool to attract and retain best quality personnel. No share options have been awarded under the scheme since January 2022.

In October 2024 it was announced that this scheme had been replaced by a new scheme, the Employee Share Ownership Scheme ("ESOP") which comprises a "share award scheme" and a "Long Term Incentive Plan" of share options for directors and certain officers. Grants of both share options and stock awards ("Restricted Stock Units" or RSUs) were granted to directors, executive management and other staff on 23 October, 2024.

Subsequent events

Details of subsequent events can be found at Note 30.

Substantial shareholders

The Company has been notified, in accordance with Chapter 5 of the FCA Disclosure and Transparency Rules, of the under noted interests in its ordinary shares as at 2 December 2024.

Shareholder	Ordinary shares	% of Ordinary shares
LYNCHWOOD NOMINEES LIMITED	136,773,097	12.00
VIDACOS NOMINEES LIMITED	120,414,356	10.57
VIDACOS NOMINEES LIMITED	90,303,966	7.93
INTERACTIVE BROKERS LLC	83,887,924	7.36
HARGREAVES LANSDOWN (NOMINEES) LIMITED	42,011,171	3.69
PERSHING NOMINEES LIMITED	35,421,628	3.11

Political and charitable contributions

There were no political or charitable contributions during the year.

CORPORATE GOVERNANCE STATEMENT

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code"), and observes that there is an updated QCA Code of 2023 that will apply for FY 2025. With respect to the FY 2024, the Company published a statement on 1 August 2024 setting out how it complies with the 10 principles of the QCA Code. That statement is available at:

https://www.pantheonresources.com/images/governance/Corporate_Governance_Statement_-_Aug_2024.pdf.

The Board recognises the principles of the QCA Corporate Governance Code, which focus on the medium to long term value for shareholders, without stifling the entrepreneurial spirit in which small to medium sized companies such as Pantheon have been created. In addition to the QCA Code, the Company has adopted a share dealing code for the Board and employees of the Company.

As previously announced, the Company is making preparations for a possible US stock market listing. As part of these preparations, the Group has hired a specialist consulting firm to assist it in building its controls and processes to meet US Sarbanes-Oxley standards. This is a very comprehensive, process which is presently underway, and its enhancements to corporate governance will be in addition to maintaining the Company's current compliance with the QCA Code.

STRATEGY & BUSINESS MODEL

Pantheon's strategy is to focus on hydrocarbon exploration, appraisal and production, onshore USA, in a region of low sovereign risk where its specialist expertise lies. Pantheon has historically structured a lean organization that is focused on maximising the potential returns to shareholders through carefully targeted exploration, appraisal and development activities in established and highly prospective areas underpinned by detailed geological analysis. As the Group builds towards development of its projects and a possible US stock market listing, the organization will naturally grow both in headcount and in operational capacity. Where appropriate, the Group will also consider undertaking value accretive acquisitions or divestitures of assets following careful analysis and, as appropriate, shareholder engagement. The Group, as appropriate, uses a combination of in-house expertise and external consultants to manage operations.

Pantheon seeks to manage corporate overhead expenditures, whilst balancing the need to hire and retain the best personnel, advisors and infrastructure in order to maximise the potential returns to shareholders in the event of success. Given the current scale of the Group, which continues to grow, corporate and operating costs are by necessity increasing, and are monitored by management to ensure appropriate levels of spending.

The Executive members of the Board of Directors, along with other Executive Management, participate in a weekly video conference call, during which they discuss, inter alia, the strategic direction, regulatory obligations and operational status of the Group, and as a result any significant deviation or change, should such occur, will be highlighted to the remainder of the Board promptly. Once per month, Non-Executive Directors join the weekly executive call. The Board has also met in person, four times during the 2024 financial year for detailed board and strategy sessions running for a minimum of two days.

UNDERSTANDING AND MEETING SHAREHOLDER NEEDS AND EXPECTATIONS

Group progress on achieving its key targets are regularly communicated to investors through stock exchange announcements which can be found under the 'Stock Exchange Announcements' section of the Company website. The Company retains the services of two corporate communications firms which actively engage with the press, investors, analysts, and with social media. The second of these firms was retained in October 2024 in order to increase the profile to the US investment community and to the US press. The Group also retains a Corporate Broker and Nominated Adviser ("NOMAD"), to ensure compliance with stock exchange regulations as well as to ensure communications to shareholders are suitable for them to understand the Group's operations and activities. The Group will consider the use of commissioned research as a medium for shareholder education.

The Company also utilises outside legal, corporate communications, and company secretarial specialist firms to provide advice and recommendations on various shareholder considerations where relevant. The Company hosts

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

a weekly conference call with all Executive Directors, Executive Management, and its NOMAD/Broker. During these conference calls any shareholder considerations identified over the course of the week can be addressed and responded to accordingly, as well as other operational, financial, strategic advice of other relevant matters. The Company regards the AGM as an important opportunity to communicate directly with shareholders via detailed presentations and in an open question and answer session. The AGM includes a detailed investor presentation and Q&A session; in recent years, this has been held by a separate webinar to enable global investor participation. Additionally, the Company also holds regular webinars as and when relevant, open to all shareholders, providing an investor presentation and an opportunity for Q&A with management. The Company also undertakes investor roadshows as and when appropriate, arranged through its broker. Over the past year, the Company considers that it has communicated with a significant portion of its shareholder base and has a clear understanding of shareholder expectations. Contact details are provided on the Company's website and within public documents, should shareholders wish to communicate with the Company.

TAKING INTO ACCOUNT WIDER STAKEHOLDER & SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The Directors recognise their responsibilities to stakeholders including the State of Alaska, North Slope Borough, staff, partners, suppliers, vendors and residents within the areas it operates. Given the current size of the Company, stakeholders are able to communicate directly with Executive Management and staff members, allowing the Board to act appropriately on such feedback. A description of how the Group considers key stakeholders in its decision-making is provided in its Section 172 Statement, on page 11.

The Company is conscious of its impact on the geological, archeological, cultural and biological resources in its operating environment, and has implemented measures to ensure that each person working on our projects, including company personnel, contractors and subcontractors, are informed of the environmental, social and cultural concerns that relate to that person's job, so that we can minimise any negative impacts.

Stakeholders can contact the Company via the website, its NOMAD, or can contact the Company's retained corporate communications advisers when required.

EMBEDDING EFFECTIVE RISK MANAGEMENT

The Company hosts a weekly conference call with all Executive Directors, Executive Management, and its NOMAD/Broker. Separately, the entire management team has a fortnightly 'alignment call', designed to provide better integration and understanding of activities across the team, both corporately and operationally. Additionally, the Group also has a policy of structured daily, weekly or fortnightly operational and management conference calls during periods of operational activity to identify and discuss key business challenges and risk areas. The Board believes that this regular program of internal communications provides an effective opportunity for potential or real-time risks to be identified, considered and, where necessary, addressed in a timely manner. In addition, you may refer to pages 12-13 for an additional description of how the Group considers stakeholder interests in decision making. The Group's oil and gas activities are subject to a variety of risks, both financial and operational, as are described in the Chief Financial Officer's Report and Strategic Report.

Given the Company's current size, the Board considers that the Executive Management team, with oversight from the Non-Executive Board of Directors and relevant advisers, to be sufficient to identify risks applicable to the Company and its operations and to implement an appropriate system of controls. Accepting that no systems of control can provide absolute assurance against material misstatement or loss, the Directors believe that the established systems for internal control within the group are appropriate to the size and cost structure of the business. Additionally, the Company has publicly stated that it is considering a possible listing on a US stock exchange such as NYSE or NASDAQ, and in preparation for such a listing has commenced a process of increasing the level of controls and governance of the group, to Sarbanes-Oxley standards. An internal audit function is not considered necessary or practical due to the size of the Company and the close day-to-day control exercised by the Executive Directors.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

The Finance, Audit and Risk Committee meets at least two times per year (typically four times per year) where these internal and financial controls are discussed as required, where, inter alia, budgets/forecasts and other key financial matters are discussed.

MAINTAINING A BALANCED AND WELL-FUNCTIONING BOARD

The Directors acknowledge their responsibility for, and recognise the importance of implementing and maintaining, high standards of corporate governance. The Board is responsible for establishing and maintaining the system of internal controls. The effectiveness of the Group's system of internal control is considered annually by the Finance, Audit and Risk Committee of the Board.

The Board

As at the date of this report, the Board comprises three non-executive Directors and three executive Directors. The independent Company Secretary is a partner in a law firm who is a specialist in providing company secretarial services to listed companies. The Board is responsible to the shareholders for the proper management of the Group. It meets regularly to discuss operations, consider and monitor strategy, examine opportunities, identify and consider key risks, consider budgets (and where appropriate approve) capital expenditure projects and other significant financing and strategic matters. The Board delegates authority to the management for day-to-day business matters including, inter alia, drilling, geological and operational matters, purchasing procedures, contract approval procedures (within limits), accounting and administration, and the hiring of full time and temporary staff and consultants. Matters reserved for the Board are communicated in advance of formal meetings. In addition to formal board meetings, the executive directors hold weekly conference calls, attended by the Company's NOMAD, in order to keep the executive board fully informed with operational matters and potential issues as well as regulatory obligations. The Board also considers this regular interaction with its NOMAD to be a prudent additional layer of corporate governance. Biographical details of the Directors can be found on the 'About Pantheon' section of the Company's website, at weblink <https://pantheonresources.com/index.php/about-us/board>. Board members are expected to attend all formal board and applicable committee meetings, as well as weekly informal board meetings with the Company's NOMAD (monthly for non executive directors). The board meets formally at least 4 times per year, with meetings usually running for a minimum of 2 days.

The QCA Code does not offer a definition of independence with respect to directors, so in forming a view on the independence of directors the Company has sought guidance by reference to the guidelines outlined in the FCA's UK Corporate Governance Code. In any event, the Board exercises discretion in making the determination of director independence which is kept under review on an annual basis. All three non-executive directors are considered by the Board to be independent. In addition, subsequent to the end of the fiscal year 2024, each committee was restructured such that all have a majority membership of NEDs and, with the exception of the Nominations Committee, are chaired by an NED.

The Board has a number of committees as explained below.

Finance, Audit, and Risk Committee

During the fiscal year, The Finance, Audit and Risk Committee consisted of Linda Havard as Chair with all other directors as members. As noted earlier, subsequent to the end of the fiscal year 2024, this committee was restructured such that all have a majority membership of NEDs. The current members are Linda Havard, Jeremy Brest, and Jay Cheatham, with Ms. Havard remaining as Chair. This Committee provides a forum through which the Group's finance functions and auditors, report to the Board. Meetings may be attended, by invitation, by the Company's NOMAD, Company Secretary, other directors/executives and the Company's auditors.

The Finance, Audit and Risk Committee meets at least twice per year, but typically four times per year. For the financial year ended 30 June 2024 there were four Finance, Audit and Risk Committee meetings which were attended by all members. Its terms of reference include the review of the Annual and Interim Accounts, consideration of the Company and Group's accounting policies, the review of internal control, risk management

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

and compliance procedures, and consideration of all issues surrounding publication of interim and annual financial results and the annual audit. The Finance, Audit and Risk Committee will also interact with the auditors and review their reports relating to accounts and internal control systems. The Finance, Audit and Risk Committee does not have a formal policy on auditor rotation, however the individual audit partner is required to rotate after a maximum of 5 years.

Remuneration Committee

During the fiscal year, the Remuneration Committee consists of Jeremy Brest as Chair, with all other Directors as members. As noted earlier, subsequent to the end of the fiscal year 2024, this committee was restructured such that it has a majority membership of NEDs. The current members are Jeremy Brest, Linda Havard, Allegra Hosford Scheirer, and David Hobbs, with Mr. Brest remaining as Chair. The Committee met four times during the year. Its role is to determine the remuneration arrangements and contracts of all Directors and senior employees, and the appointment or re-appointment of Directors. Specifically, Executive Directors recommend remuneration for Executive Management and other senior employees, and the Remuneration Committee approves of these arrangements. In addition, the Executive Director members of the Remuneration Committee set the remuneration for NEDs, and the NED members of the Remuneration Committee set the remuneration of the Executive Directors. No Director, however, is involved in deciding matters of his or her own remuneration.

Nominations Committee

During the fiscal, the Nominations Committee is chaired by David Hobbs, with all other Directors being members. As noted earlier, subsequent to the end of the fiscal year 2024, this committee was restructured such that it has a majority membership of NEDs; however, this Committee continues to have an Executive Director as its Chair. The current members are David Hobbs, Linda Havard, Jeremy Brest, Allegra Hosford Scheirer, and Jay Cheatham, with Mr. Hobbs remaining as Chair. The Committee meets as and when required. Its role is to consider and oversee board composition, recruitment and succession planning.

Conflicts Committee

During the fiscal year, the Company has established a Conflicts Committee which consists of Allegra Hosford Scheirer as Chair, with all other Directors as members. As noted earlier, subsequent to the end of the fiscal year 2024, this committee was restructured such that it has a majority membership of NEDs. The current members are Allegra Hosford Scheirer, Jeremy Brest, and David Hobbs, with Ms. Hosford Scheirer remaining as Chair. The role of the Conflicts Committee is to assist the Board in monitoring actual and potential conflicts of interest under the definitions of the Companies Act 2006. Under the Companies Act 2006 Directors are responsible for their individual disclosures of actual or potential conflict. To follow best practice, the Conflicts Committee holds discussions where appropriate, with the Company's UK lawyers.

Anti-Corruption & Bribery Committee

During the fiscal year, the Company has established an Anti-Corruption & Bribery Committee for which Justin Hondris was Chair, with all other Directors as members, during the fiscal year. As noted earlier, subsequent to the end of the fiscal year 2024, this committee was restructured such that it has a majority membership of NEDs.

Following Mr Hondris' resignation as a Director, Allegra Hosford Scheirer assumed the Chair role of the Anti-Corruption and Bribery Committee. The current members are Allegra Hosford Scheirer, Linda Havard, and David Hobbs, with Ms. Hosford Scheirer remaining as Chair. The purpose of the Anti-Corruption & Bribery Committee is to ensure the Company's compliance with the Bribery Act 2010.

HAVING APPROPRIATE EXPERIENCE, SKILLS AND CAPABILITIES ON THE BOARD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

The Board of Directors has a mix of experience, skills, both technical and commercial, and personal qualities that seek to deliver the strategy of the Company. The Company will ensure that the Directors have the necessary up-to-date experience, skills and capabilities to deliver the Company strategy and targets. If the Company identifies an area where additional skills are required, the Company will contract an appropriately qualified third party to advise as required. Each Director is listed on the Company's website and in the annual report, along with a clear description of the Director's role and experience.

EVALUATING BOARD PERFORMANCE

As the Company has grown, and with its stated intention of pursuing a listing on a US stock exchange, the Board is reviewing the board performance and effectiveness and is adding additional resource if/where appropriate. Pantheon will continue to liaise with its advisors as to the most appropriate composition and effectiveness of the board and executive management team.

ETHICAL VALUES & BEHAVIOURS

The Company operates a corporate culture that is based on ethical values and behaviors and treats staff, consultants, operational and financial stakeholders fairly and with respect. It will maintain a quality system appropriate to the standards required for a Company of its size. The Board communicates regularly with staff through meetings, team conference calls and presentations, individual telephone calls and messages and advocates respectful dialogue with employees, consultants and other stakeholders. At the time of writing, the board comprised four male and two female members.

ENVIRONMENTAL STATEMENT

Pantheon Resources will seek to conduct its activities in a way that keeps the environmental and social impacts to a minimum. To that end, the Company has a target to eliminate its Scope 1 and Scope 2 greenhouse gas emissions by the later of five years after FID or the calendar year 2030. Furthermore, it will consult with State and local communities on the North Slope of Alaska to minimize the development footprint while seeking to maximise the economic benefits to the state of Alaska and North Slope Borough.

Pantheon intends for the field facilities of Ahpun and Kodiak to be all electric, with CCS (carbon capture & storage) applied to power generation exhausts, beginning from the later of five years after FID or calendar year 2030. To the extent possible, we will ensure that all electricity purchases by the company are from zero GHG (greenhouse gas) emission sources.

Furthermore, after the later of five years after FID or calendar year 2030, the Company will work with its suppliers in an effort to eliminate their Scope I and 2 emissions (i.e. Pantheon's scope 3 emissions) and/or acquire suitable offsets as and when appropriate.

To minimise the physical footprint of the Company's development activities we will maximise the number of wells drilled from each pad in order to minimise the number of pads and connecting roads.

MAINTAINING GOVERNANCE STRUCTURES AND PROCESSES

Ultimate authority for all aspects of the Company's activities resides with the Board, with the respective responsibilities of the Chair, the Executive Directors, the various Board Committees, and Executive Management arising as a result of delegation by the Board. Given the constraints of balancing a small, cost-conscious Company with a desire to maintain high standards of Corporate Governance, the Board has adopted a number of initiatives to achieve Corporate Governance standards. The Board engages in active, structured and regular internal communication, including a standing weekly conference call (including non-executive directors once per month) between the executive board and its NOMAD (Nominated Advisor to the London Stock Exchange) where significant matters are tabled and discussed. A NOMAD has a responsibility to London Stock Exchange for advising and guiding a company on its responsibilities in relation to its admission to AIM as well as its

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

continuing obligations of being a listed company. This is in addition to regular, formal Board meetings, at least 4 times per year. All the Executive Directors and Executive Management have designated, delegated roles and areas of responsibility and engage with the Company's shareholders and stakeholders in accordance with relevant regulatory and corporate governance guidelines. There are a number of matters reserved for the Board's review and approval including, Group strategy, approval of major capital expenditure projects, approval of the annual and interim results, fundraising, dividend policy and Board structure. It monitors the exposure to key business and operational risks and reviews the strategic direction of the group and its operations. The Board delegates day-to-day responsibility for managing the business to the Executive Directors and Executive Management team. The Board considers its current governance structures and processes as appropriate in the context of its current size, headcount and complexity, and is seeking to improve them further as the Group prepares itself for a possible US stock market listing. The Finance, Audit, and Risk Committee meets at least twice per year, but typically a minimum of four times per year, where internal and financial controls are reviewed as required and assets are also assessed for impairment considerations.

COMMUNICATING WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

Page 11 of this Annual Report provides a section 172 statement which discusses how the Group considers the interests of shareholders and other relevant stakeholders in its decision making.

Additionally, under AIM Rule 26 the Company publishes historical annual reports, notices of meetings and other publications, including regular operational news flow, over a minimum of the five previous years which can be found under the 'Financial Reports' and other sections of the Company website.

The Board is committed to maintaining good communication and having dialogue with private and institutional shareholders, as well as analysts. In addition to the Annual General Meeting, the Company endeavors to arrange broker arranged non-deal roadshows, shareholder presentations and webinars, all of which allow shareholders to discuss issues and provide feedback as appropriate. The Company also retains the services of two specialist corporate communications advisors to assist in promoting awareness of the Company's activities to its shareholders and wider audience. The second of these was retained with the objective of improving the Group's profile in the US.

The Board have not published a Finance, Audit and Risk Committee or Remuneration Committee report, which the Board considers to be appropriate given the size and stage of development of the Company.

Upon the conclusion of the AGM of the Company, the results of the meeting are released through a regulatory news service and a copy of the announcement is posted on the Company's website. In a situation such as where there is a significant proportion of votes cast against a resolution, then, where relevant, an explanation would be provided.

EU Market Abuse Regulations

The EU Market Abuse Regulation came into effect in the UK on 3 July 2016 and the Company has implemented relevant policies and procedures to ensure compliance with the requirements of the regime. The Company administers compliance in-house, consulting with NOMAD and legal counsel regularly.

Statement of Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable laws and regulations. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards which requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; and
- d) state whether applicable UK adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and hence for taking steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The Company is compliant with AIM Rule 26 regarding the Company's website.

Statement of disclosure to the auditors

So far as the Directors are aware:

- a) there is no relevant audit information of which the Company's auditors are unaware; and
- b) all the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the board

Linda Havard
Director
December 7, 2024

**DIRECTORS' BIOGRAPHIES
FOR THE YEAR ENDED 30 JUNE 2024**

Biographical details of the Directors of the Company can be found on the 'About Pantheon' section of the Company's website, at weblink <https://pantheonresources.com/index.php/about-us/board>. Additional details now follow:

David Hobbs, Executive Chair

David Hobbs graduated as a Petroleum Engineer from Imperial College in 1984, initially working at British Gas as a drilling engineer before moving into commercial and business development roles at Monument Oil & Gas and Hardy Oil and Gas, two UK listed international independent E&P companies. He joined Cambridge Energy Research Associates (CERA), now part of S&P Global, ending up as Chief Energy Strategist, advising Government officials, senior executives and Boards of Directors across the energy sector. He also spent six years as part of the leadership team establishing the King Abdullah Petroleum Studies and Research Center (KAPSARC) in Riyadh, Saudi Arabia. David is an adjunct professor at the University of Calgary, a senior Non-Resident Fellow at the Atlantic Council's Global Energy Center and is Chair of Proton Green, a US based helium, food grade CO₂ and carbon sequestration company.

David is Chair of the Nominations Committee, and a member of the Remuneration Committee, Finance, Audit, and Risk Committee, Conflicts Committee, and Anti-Corruption & Bribery Committee.

Jay Cheatham, Chief Executive Officer

Jay Cheatham has more than 50 years' experience in all aspects of the petroleum business. He has extensive international experience in both oil and natural gas, primarily for ARCO. At ARCO, Jay held a series of senior appointments. These include Senior Vice President and District Manager (ARCO eastern District) with direct responsibility for Gulf Coast US operations and exploration and President of ARCO International where he had responsibility for all exploration and production outside the US Jay's most recent appointment was as President and CEO of Rolls-Royce Power Ventures, where he had the key responsibility for restructuring the Company.

Jay also has considerable financial skills in addition to his corporate and operational expertise. He has acted as Chief Financial Officer for ARCO's US oil and natural gas company (ARCO Oil & Gas). Moreover, he has an understanding of the capital markets through his past position as CEO to the Petrogen Fund, a private equity fund.

Jay is member of the Nominations Committee, Remuneration Committee, Finance, Audit, and Risk Committee, Conflicts Committee, and Anti-Corruption and Bribery Committee.

Robert (Bob) Rosenthal, Technical Director

Bob Rosenthal has over 40 years' experience in the oil and gas industry globally as an Exploration Geologist and Geophysicist. He has held various senior exploration positions and spent a large part of his career at Exxon and at BP, where he gained key relevant regional experience in the geology of North Slope of Alaska and of Texas. Since 1999, Bob has run his own successful consulting business and has led the exploration efforts of a number of private and public companies.

Bob is a member of the Company's Nominations Committee, Remuneration Committee, Finance, Audit and Risk Committee, Conflicts Committee and Anti-Corruption and Bribery Committee.

Jeremy Brest, Non-Executive Director

Jeremy has more than 25 years' experience in investment banking and financial advisory. Jeremy is the founder of Framework Capital Solutions, a boutique Singapore-based advisory firm specializing in structuring and execution of private transactions. Prior to founding Framework, Jeremy was the head of structuring for Indonesia at Credit Suisse and a derivatives trader at Goldman Sachs.

Jeremy is Chair of the Remuneration Committee, and a member of the Finance, Audit and Risk Committee, the Conflicts Committee, Nominations Committee, and the Anti-Corruption and Bribery Committee.

Allegra Hosford Scheirer, Non-Executive Director (appointed July 2023)

Allegra Hosford Scheirer is a recognized expert in petroleum system analysis. Her degrees are from Brown University (B.S., geology-physics/math) and the Massachusetts Institute of Technology (Ph.D., marine geology and geophysics). Following a postdoctoral position at Woods Hole Oceanographic Institution, she spent 6.5 years at the U.S. Geological Survey as a member of the Geophysical Unit of Menlo Park and the Energy Resources Program, where she contributed to petroleum resource assessments of sedimentary basins. For the past 15 years, she has been a co-director of the Basin Processes and Subsurface Modelling consortium at Stanford University, where she also teaches and advises graduate students. She also maintains a consulting company for working with private clients on exploration programs, short courses, and petroleum-focused field trips. Allegra is passionate about sustainability initiatives, including carbon capture and storage and geologic hydrogen.

Allegra is Chair of the Conflicts Committee and the Anti-Corruption & Bribery Committee, and is a member of the Finance, Audit and Risk Committee, Remuneration Committee and Nominations Committee.

Linda Havard, Non-Executive Director (appointed January 2024)

Linda Havard has more than 35 years' experience as a financial and operating executive in public oil and gas and entertainment companies as well as professional services firms. She most recently served as Chief Financial Officer of Gensler, the world's largest architecture and design firm. Previously, she served for six years as Chief Financial Officer at the global law firm of Orrick, Herrington & Sutcliffe, 13 years as Executive Vice President and Chief Financial Officer of Playboy Enterprises and 15 years at ARCO (now BP Amoco), where she headed Corporate Planning and Investor Relations, among other senior positions.

Linda holds an MBA in Finance from the University of California at Los Angeles and a PhD (honoris causa) in Business from the Chicago School of Professional Psychology. She is a member of the Atlanta Federal Reserve Board CFO Panel, the International Women's Forum, and the Governing Body of the CFO Executive Summit.

Linda is Chair of the Finance, Audit and Risk Committee and a member of the Remuneration, Nominations, Conflicts and Anti-Corruption & Bribery Committees.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PANTHEON RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2024**

Opinion

We have audited the financial statements of Pantheon Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.4 in the financial statements, which indicates that further funding will be required within the 12 months following the date of approval of the financial statements in order to meet working capital needs and to fully fund further exploration programmes as planned. As stated in note 1.4, these events or conditions, along with the other matters as set forth in note 1.4, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Challenging the inputs and assumptions used in the forecasts prepared by management to assess the group's and parent company's ability to meet financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements.
- Corroborating the committed cash flows against contractual arrangements and historic information and compared general budgeted overheads to current run rates.
- Identifying and evaluating subsequent events which affect going concern and evaluating the likelihood of occurrence of forecast and impact on the future cash inflows.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PANTHEON RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2024**

- Stress-testing the forecasted cash flows by increasing expenditures, as well as critically reviewing committed versus non committed expenditure, in order to evaluate the likelihood of potential downside scenarios that may have an impact on headroom.
- Comparing actual results for the year to previous budgets to assess the accuracy of management's forecasting.
- Reviewing post year end information such as minutes of board meetings and Regulatory News Service (RNS) announcements.
- Reviewing post year end cash position as at the end of October 2024 and compared this against the forecasted position.
- Discussing with management as to the strategies that they are pursuing to secure further funding if and when required. Considering management's past history in relation to the ability to raise funds.
- Assessing the adequacy of the disclosures in respect of going concern including the uncertainty over the ability to raise additional funds.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we consider net assets to be the most significant determinant of the group's and parent company's financial performance used by shareholders as the group continues to bring its exploration assets through to development and the parent company continues to support the group's exploration activities. We therefore applied a materiality threshold of 2% of net assets (2023: 2% of net assets) to both the group and the parent company.

Whilst materiality applied to the group financial statements was \$5,545,000 (2023: \$5,000,000), each significant component of the group was audited to a lower level of materiality. The parent company materiality was \$5,267,000 (2023: \$4,750,000) with the other significant components being audited to materialities ranging between \$1,099,000 - \$2,637,000 (2023: \$1,105,000 - \$2,424,000). These materiality levels were used to determine the financial statement areas that are included within the scope of our audit work and the extent of sample sizes during the audit.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. Performance materiality was set at 70% (2023: 70%) of the above materiality levels for both group and parent company, equating to \$3,881,000 (2023: \$3,500,000) and \$3,686,000 (2023: \$3,325,000), respectively, based upon our assessment of the risk of misstatement.

We agreed with management that we would report to the audit committee all individual audit differences identified during the course of our audit in excess of \$277,000 (2023: \$250,000) for the financial statements as a whole and \$263,000 (2023: \$237,500) for the parent company. We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Our approach to the audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

**INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF PANTHEON RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2024**

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. The recoverability of intangible assets and investments in subsidiary undertakings were assessed as areas which involved significant judgements by management. We also addressed the risk of the valuation of the convertible bond, going concern and management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The accounting records of the parent company and all subsidiary undertakings are centrally located and audited by us based upon group, parent and component materiality or risk to the group. The key audit matters and how these were addressed are outlined below.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and, directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
<p>Valuation and impairment of exploration and evaluation assets in the Group (note 13)</p>	
<p>As disclosed in note 13 to the Group Financial statements, the Group’s intangible asset represents capitalised exploration expenditure on projects. The balance as at 30 June 2024 was \$293,635,128 (2023: \$286,668,349). Note 1.13 discloses critical accounting estimates and judgements in this area.</p> <p>The Group has capitalised costs in respect of the Group’s exploration interests in accordance with IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i> (IFRS 6). The Directors are required to assess the exploration assets for indicators of impairment and, where they are deemed to exist, to undertake a full impairment review to assess the need for impairment charges. This may involve making significant judgements and assumptions relating to the timing, amount and probability of future cash flow.</p> <p>We therefore identified the risk over impairment of exploration and evaluation assets as a significant risk and, due to the magnitude of the balance and the level of management judgement involved, we concluded this risk to be a key audit matter.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Obtaining a full schedule of leases relating to exploration assets and reviewing available information to assess whether the leases remained in good standing; • Discussing with management future plans to develop each prospect, including consideration of funding that may be required to do so; • Challenging management’s assessment of impairment in relation to exploration and evaluation assets, taking into consideration the impairment indicators outlined in IFRS 6. Challenging and corroborating key inputs and assumptions made by management; • Reviewing the minutes of Board meetings and RNS announcements for indicators of impairment; • Obtaining and reviewing reports prepared by independent experts on the portfolio of assets and reviewing key findings against

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	<p>management’s assertions and IFRS 6 impairment indicators;</p> <ul style="list-style-type: none"> • Substantively testing a sample of exploration and evaluation additions during the year by corroborating to the original source documentation and assessing their eligibility for capitalisation under IFRS 6; and, • Ensuring presentation and disclosure in the financial statements are sufficient and in accordance with requirements of IFRS 6. <p>Based on our audit procedures performed, the carrying value of exploration assets is not materially misstated.</p>
<p>Carrying value of loans due from subsidiary companies in the parent company (note 9)</p>	
<p>Under IAS 36 ‘Impairment of Assets’, companies are required to assess whether there is any indication that an asset may be impaired at each reporting date.</p> <p>The parent company has loans due from subsidiary companies of \$292,828,674 (2023: \$279,494,628) which form part of the company’s net investment in these subsidiaries. These balances represent the most significant account on the company statement of financial position and there is a risk they may be impaired as a result of the subsidiary companies incurring losses. Note 1.13 discloses critical accounting estimates and judgements in this area.</p> <p>Key judgements and assumptions regarding the impairment of the balances include the timing, extent and probability of future cash flow from the subsidiary companies.</p> <p>We therefore identified the risk over the impairment of loans due from subsidiary companies as a significant risk in the parent company financial statements, and, due to the magnitude of the balance and the level of management judgement involved, we concluded this risk to be a key audit matter.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Reviewing the loan balances for any indicators of impairment in accordance with IAS 36, including a review of the underlying net asset balances in the related entities and considering the work done in respect of the recoverability of intangible assets within these entities; • Obtaining and reviewing management’s assessment of the recoverability of these balances and corroborating, as well as challenging the key inputs and assumptions made by management in arriving at their conclusions; and, • Assessing the appropriateness of presentation and adequacy of disclosures in the financial statements. <p>Based on our audit procedures performed, the carrying value of loans from subsidiary companies in the parent company is not materially misstated.</p>

Other information

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PANTHEON RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2024**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and,
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PANTHEON RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2024**

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, our expertise in the sector and through the application of cumulative audit knowledge.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from
 - o UK Companies Act 2006;
 - o Quoted Companies Alliance (QCA) Corporate Governance Code
 - o UK-adopted international accounting standards;
 - o AIM Rules; and,
 - o Local industry laws and regulations in Alaska where the group operates.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - o Making enquiries of management;
 - o Reviewing legal expense accounts;
 - o Reviewing minutes of board meetings and other correspondence during the year and post-year end; and,
 - o Reviewing RNS announcements during the year and post-year end.
- We also identified the risks of material misstatement of the financial statements due to fraud at both the group and parent company level. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, whether key management judgements could include management bias was identified in relation to the carrying value of exploration assets and the carrying value of loans due from subsidiary companies in the parent company and we addressed this as outlined in the Key Audit Matters section.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and, evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Compliance with laws and regulations at the subsidiary level was ensured through enquiry of management and review of ledgers and correspondence for any instances of non-compliance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

PANTHEON RESOURCES PLC

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PANTHEON RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2024**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Imogen Massey (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
7 December 2024

Westferry Circus
Canary Wharf
London E14 4HD

PANTHEON RESOURCES PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
Continuing operations			
Revenue	27	13,393	803,689
Cost of sales		(7,153)	(673,290)
Gross profit		6,240	130,399
Administration expenses	3	(8,773,748)	(3,870,673)
Share Based payments expense	23	-	(3,146,170)
Operating loss	4	(8,767,508)	(6,886,444)
Interest Expense – Convertible Bond and other Convertible Bond - Revaluation of Derivative Liability	15	(4,893,640)	(6,111,118)
Other Income	28	-	30,000
Interest receivable	6	630,371	338,205
Loss before taxation		(13,367,832)	(1,307,843)
Taxation	7	1,822,247	(138,844)
Loss for the year		(11,545,585)	(1,446,687)
Other comprehensive income for the year			
Exchange differences from translating foreign operations	29	(52,924)	(3,185,937)
Total comprehensive loss for the year		(11,598,509)	(4,632,624)
Basic and diluted loss per share	2	(1.25)¢	(0.18)¢

The loss for the current and prior year and the total comprehensive loss for the current and prior year are wholly attributable to the equity holders of the parent company, Pantheon Resources Plc.

PANTHEON RESOURCES PLC

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Share Capital	Share premium	Retained losses	Currency reserve	Share based payment reserve	Total equity
	\$	\$	\$	\$	\$	\$
Group						
At 1 July 2023	12,464,677	297,830,078	(49,444,331)	(2,692,860)	14,271,042	272,428,606
Loss for the year	-	-	(11,545,585)	-	-	(11,545,585)
Other comprehensive income: Foreign currency translation	-	-	-	(52,924)	-	(52,924)
Total comprehensive income for the year	-	-	(11,545,585)	(52,924)	-	(11,598,509)
Transactions with owners						
Capital Raising						
Issue of shares (note 17)	466,487	9,837,080	-	-	-	10,303,567
Issue Costs	-	-	-	-	-	-
Issue costs paid in cash	-	-	-	-	-	-
Convertible Bond – Amortisation						
Issue of shares	208,228	5,561,332	-	-	-	5,769,560
Total transactions with owners	674,715	15,398,412	-	-	-	16,073,127
Balance at 30 June 2024	13,139,392	313,228,490	(60,989,916)	(2,745,784)	14,271,042	276,903,224

See note 26 for a description of each reserve account included above.

PANTHEON RESOURCES PLC

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Share Capital	Share premium	Retained losses	Currency reserve	Share based payment reserve	Total equity
	\$	\$	\$	\$	\$	\$
Group						
At 1 July 2022	10,720,459	264,879,196	(48,466,590)	493,078	11,776,246	239,402,388
Loss for the year	-	-	(1,446,687)	-	-	(1,446,687)
Other comprehensive income: Foreign currency translation	-	-	-	(3,185,937)	-	(3,185,937)
Total comprehensive income for the year	-	-	(1,446,687)	(3,185,937)	-	(4,632,624)
Transactions with owners						
Capital Raising						
Issue of shares	1,301,769	20,828,305	-	-	-	22,130,074
Issue costs	-	(469,920)	-	-	-	(469,920)
Issue costs paid in cash	-	(501,683)	-	-	-	(501,683)
Exercise of Share Options and RSU's						
Issue of shares	58,445	1,880,003	-	-	-	1,938,448
Convertible Bond – Amortisation and Redemption						
Issue of shares (note 17)	384,005	11,032,995	-	-	-	11,417,000
Other – Reversal of over accrual relating to previous capital raise	-	181,185	-	-	-	181,185
Transfer of previously expensed share based payment on exercise of options	-	-	468,946	-	(468,946)	-
Share based payments expense	-	-	-	-	2,963,741	2,963,741
Total transactions with owners	1,744,219	32,950,885	468,946	-	2,494,795	37,189,899
Balance at 30 June 2023	12,464,677	297,830,078	(49,444,331)	(2,692,860)	14,271,042	272,428,607

See note 26 for a description of each reserve account included above.

PANTHEON RESOURCES PLC

**COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Share Capital	Share premium	Retained losses	Currency reserve	Share based payment reserve	Total equity
	\$	\$	\$	\$	\$	\$
Company						
At 1 July 2023	12,464,677	297,830,078	(34,369,174)	(18,993,994)	14,271,042	271,202,629
Loss for the year	-	-	(7,199,103)	-	-	(7,199,103)
Other comprehensive income: Foreign currency translation	-	-	-	(1,130,441)	-	(1,130,441)
Total comprehensive income for the year	-	-	(7,199,103)	(1,130,441)	-	(8,329,544)
Transactions with owners						
Capital Raising						
Issue of shares (note 17)	466,487	9,837,080	-	-	-	10,303,567
Issue costs	-	-	-	-	-	-
Issue costs paid in cash	-	-	-	-	-	-
Convertible Bond – Amortisation						
Issue of shares	208,228	5,561,332	-	-	-	5,769,560
Total transactions with owners	674,715	15,398,412	-	-	-	16,073,127
Balance at 30 June 2024	13,139,392	313,228,490	(41,568,277)	(20,304,435)	14,271,042	278,766,212

See note 26 for a description of each reserve account included above.

PANTHEON RESOURCES PLC

**COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Share Capital	Share premium	Retained losses	Currency reserve	Share based payment reserve	Total equity
	\$	\$	\$	\$	\$	\$
Company						
At 1 July 2022	10,720,459	264,879,196	(38,237,347)	(29,882,500)	11,776,246	219,256,054
Profit for the year	-	-	3,399,226	-	-	3,399,226
Other comprehensive income: Foreign currency translation	-	-	-	10,888,506	-	10,888,506
Total comprehensive income for the year	-	-	3,399,226	10,888,506	-	14,287,732
Transactions with owners						
Capital Raising						
Issue of shares (note 17)	1,301,769	20,828,305	-	-	-	22,130,074
Issue costs	-	(469,920)	-	-	-	(469,920)
Issue costs paid in cash	-	(501,683)	-	-	-	(501,683)
Exercise of Share Options and RSU's						
Issue of shares	58,445	1,880,003	-	-	-	1,938,448
Convertible Bond – Amortisation and Redemption						
Issue of shares	384,005	11,032,995	-	-	-	11,417,000
Other – Reversal of over accrual relating to previous capital raise	-	181,185	-	-	-	181,185
Total transactions with owners	1,744,219	32,950,885	-	-	-	34,695,104
Transfer of previously expensed share based payment on exercise of options	-	-	468,946	-	(468,946)	-
Share based payments expense	-	-	-	-	2,963,741	2,963,741
Balance at 30 June 2023	12,464,678	297,830,081	(34,369,175)	(18,993,994)	14,271,041	271,202,629

See note 26 for a description of each reserve account included above.

PANTHEON RESOURCES PLC

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Notes	2024 \$	2023 \$
ASSETS			
Non-current assets			
Exploration & evaluation assets	13	293,635,128	286,668,349
Property, plant and equipment	16	129,200	38,570
		<u>293,764,328</u>	<u>286,706,919</u>
Current assets			
Trade, other receivables and deposits	9	2,944,543	2,559,522
Cash and cash equivalents	10	7,913,862	20,661,012
		<u>10,858,405</u>	<u>23,220,534</u>
Total assets		<u>304,622,733</u>	<u>309,927,453</u>
LIABILITIES			
Current liabilities			
Convertible Bond – Debt	15	7,090,177	9,755,688
Trade and other payables	11	703,496	2,840,610
Provisions	12	5,921,030	6,017,238
Lease Liabilities	14	63,395	36,435
		<u>13,778,098</u>	<u>18,649,971</u>
Non-current liabilities			
Lease Liabilities	14	69,028	-
Convertible Bond – Debt	15	13,127,532	16,619,062
Convertible Bond – Derivative	15	744,851	407,566
Deferred tax liability	7	-	1,822,247
		<u>13,941,411</u>	<u>18,848,875</u>
Total liabilities		<u>27,719,509</u>	<u>37,498,847</u>
Net assets		<u>276,903,224</u>	<u>272,428,607</u>
EQUITY			
Capital and reserves			
Share capital	17	13,139,392	12,464,677
Share premium		313,228,490	297,830,078
Retained losses		(60,989,916)	(49,444,331)
Currency reserve		(2,745,784)	(2,692,860)
Share based payment reserve	23	14,271,042	14,271,042
Shareholders' equity		<u>276,903,224</u>	<u>272,428,607</u>

The financial statements were approved by the Board of Directors and authorised for issue on the December 7, 2024 and signed on its behalf by

Linda Havard
Director
December 7, 2024

Philip Patman, Jr.
Chief Financial Officer
December 7, 2024

Company Number 05385506

PANTHEON RESOURCES PLC

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Notes	2024 \$	2023 \$
ASSETS			
Non-current assets			
Property, plant and equipment	16	25,698	38,570
Loans to subsidiaries	9	292,828,674	279,494,628
		<u>292,854,372</u>	<u>279,533,198</u>
Current assets			
Trade and other receivables	9	106,334	154,161
Cash and cash equivalents	10	7,543,991	19,518,284
		<u>7,650,325</u>	<u>19,672,445</u>
Total assets		<u>300,504,697</u>	<u>299,205,643</u>
LIABILITIES			
Current liabilities			
Convertible Bond – Debt	15	7,090,177	9,755,688
Trade and other payables	11	278,864	617,425
Provisions	12	470,630	566,838
Lease Liability	14	26,431	36,435
		<u>7,866,102</u>	<u>10,976,386</u>
Non-current liabilities			
Convertible Bond – Debt	15	13,127,532	16,619,062
Convertible Bond – Derivative	15	744,851	407,566
		<u>13,872,383</u>	<u>17,026,628</u>
Total liabilities		<u>21,738,485</u>	<u>28,003,014</u>
Net assets		<u>278,766,212</u>	<u>271,202,629</u>
EQUITY			
Capital and reserves			
Share capital	17	13,139,392	12,464,677
Share premium		313,228,490	297,830,078
Retained losses		(41,568,277)	(34,369,174)
Currency reserve		(20,304,435)	(18,993,994)
Share based payment reserve	23	14,271,042	14,271,042
Shareholders' equity		<u>278,766,212</u>	<u>271,202,629</u>

In accordance with the provisions of Section 408 of the Companies Act 2006, the Company has not presented an income statement. A loss for the year ended 30 June 2024 of \$7,199,103 (2023: profit of \$3,399,226) has been included in the consolidated income statement.

The financial statements were approved by the Board of Directors and authorised for issue on the December 7, 2024 and signed on its behalf by

Linda Havard
Director
December 7, 2024

Philip Patman, Jr.
Chief Financial Officer
December 7, 2024

Company Number 05385506

PANTHEON RESOURCES PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
Net outflow from operating activities	18	<u>(11,365,415)</u>	<u>(11,395,855)</u>
Cash flows from investing activities			
Interest received		630,371	338,205
Interest paid		(757)	-
Funds used for drilling, exploration and leases	13	(6,966,779)	(48,246,055)
Property, plant and equipment		-	(3,251)
Net cash outflow from investing activities		<u>(6,337,165)</u>	<u>(47,911,101)</u>
Cash flows from financing activities			
Proceeds from share issues	17	10,303,566	22,746,441
Issue costs paid in cash		-	(501,683)
Repayment of borrowing – unsecured convertible bond	29	(5,273,798)	-
Repayment of borrowing and leasing liabilities	14	(74,338)	(60,913)
Net cash inflow from financing activities		<u>4,955,430</u>	<u>22,183,845</u>
(Decrease) in cash & cash equivalents		(12,747,150)	(37,123,111)
Cash and cash equivalents at the beginning of the year		<u>20,661,012</u>	<u>57,784,121</u>
Cash and cash equivalents at the end of the year	10	<u>7,913,862</u>	<u>20,661,012</u>

Major non-cash transactions

During the year the Company / Group elected to make two quarterly principal and interest payments in relation to the unsecured convertible bond. The details are below;

1. In March 2024 8,820,315 new ordinary shares were issued at a price of US\$0.29 per share to settle the quarterly bond repayment of US\$2.7m.
2. In June 2024 7,471,153 new ordinary shares were issued at a price of US\$0.36 per share to settle the quarterly bond repayment of US\$2.7m.

PANTHEON RESOURCES PLC

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
Net outflow from operating activities	18	(2,800,734)	(1,507,104)
Cash flows from investing activities			
Net interest received		556,626	337,894
Loans to subsidiary companies	9	(14,704,205)	(56,103,408)
Property, plant and equipment		-	(3,251)
Net cash outflow from investing activities		(14,147,579)	(55,768,765)
Cash flows from financing activities			
Proceeds from share issues	17	10,303,566	22,746,441
Issue costs paid in cash		-	(501,683)
Repayment of borrowing – unsecured convertible bond		(5,273,798)	-
Repayment of borrowing and leasing liabilities		(55,748)	(60,913)
Net cash inflow from financing activities		4,974,020	22,183,845
(Decrease) / Increase in cash and cash equivalents		(11,974,293)	(35,092,022)
Cash and cash equivalents at the beginning of the year		19,518,284	54,610,306
Cash and cash equivalents at the end of the year	10	7,543,991	19,518,284

Major non-cash transactions

During the year the Company / Group elected to make two quarterly principal and interest payments in relation to the unsecured convertible bond. The details are below;

1. In March 2024 8,820,315 new ordinary shares were issued at a price of US\$0.29 per share to settle the quarterly bond repayment of US\$2.7m.
2. In June 2024 7,471,153 new ordinary shares were issued at a price of US\$0.36 per share to settle the quarterly bond repayment of US\$2.7m.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

1. Accounting policies & General Information

Pantheon Resources Plc was listed on the London Stock Exchange's AIM in 2006. Pantheon, through its subsidiaries, has a 100% working interest in oil projects located onshore Alaska, USA. The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales, with registration number 05385506.

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

1.1 Basis of preparation

The financial statements have been prepared on a going concern basis using the historical cost convention and in accordance with the UK Adopted International Accounting Standards ("IAS") and in accordance with the provisions of the Companies Act 2006.

The Group's financial statements for the year ended 30 June 2024 were authorised for issue by the Board of Directors on December 7, 2024 and were signed on the Board's behalf by Linda Havard, Director, and Philip Patman, Jr., Chief Financial Officer.

The Group and Company financial statements are presented in US dollars.

1.2 Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill arising on acquisitions is capitalised and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. All the companies over which the Company has control apply, where appropriate, the same accounting policies as the Company.

1.3 Interests in joint arrangements

IFRS 11 Joint Operations defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. The Group has a 100% working interest in all of its projects and accordingly does not have interests in joint operations at the balance sheet date. At the present time the Group is advancing towards development of its projects on its own, aiming to achieve FID on the Ahpun project by 2H of 2027 and FID on the Kodiak project by 2029. This is not to say that the Company is ruling out a potential farmout notwithstanding the disparity between the market capitalisation of Pantheon and management's assessment of the intrinsic value of the Company's assets. However, we believe that materially better terms could be achieved once the development of the Company's assets is further advanced. If at some point the Group were to farm out, then joint interest accounting would be applicable in future periods.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

1.4. Going concern

In June 2023 Pantheon communicated to shareholders via RNS and accompanying webinar, its aggressive strategy to target sustainable market recognition of a value of \$5 - \$10 per barrel of 1P/1C recoverable resource by the end of 2028. This target is unchanged. The FID on the Ahpun project is now expected to be delayed to 2H 2027, with the FID on the Kodiak project by 2029. This impacts the date of first production, now anticipated in 2028, and coupled with increased project definition and workscope increases the funding requirement to first production to approximately \$150 million. Executing such a strategy requires significant additional capital, most of which the Company seeks to access through non equity sources. The Group will also need to secure additional funding for general working capital, to cover future obligations as and when they fall due, to continue to progress its key projects, and to continue its proposed US IPO preparations as planned within the next 12 months following approval of these financial statements and the Group seeks to secure such funding by Q2 or Q3 of fiscal year 2025 (for clarity, at latest, Q1 of calendar year 2025), in the least dilutive manner for shareholders. This process is presently underway, and Pantheon is procuring appropriate assistance from its appointed investment banks and other advisors. The auditors have made reference to this material uncertainty in their audit report.

We believe that Pantheon's position has improved materially over the past 12 months as a result of the achievement of some major milestones, all of which greatly increase the Group's confidence in securing its overall funding requirement to reach first production. These milestones included receipt of IERs on three of its projects, specifically (i) Kodiak, (ii) Ahpun – Alkaid, and (iii) Ahpun – Western Topsets, which when combined certified, in aggregate, a 2C Contingent Resource of 1.6 billion barrels of ANS Crude and 6.6 Tcf of natural gas. Critically however, these IERs estimated a project NPV10 of \$1.9 - \$2.2 billion for the Ahpun – Alkaid and Ahpun – Western Topset projects combined. An NPV estimate based on discounted net present value has not yet been commissioned for the much larger Kodiak project, but it would clearly be materially accretive to the intrinsic value of Pantheon's asset base. The importance here is that Pantheon retains 100% working interest in each of these projects, which have enormous potential value, and these large valuations and certified resources give the Company great flexibility in raising non-equity funding. This includes the ability to leverage any success in the Megrez-1 well and the value attributable to gas resources should Alaska LNG Phase 1 proceed. In accessing additional capital, Pantheon's goal is to achieve this in the least dilutive manner for shareholders, minimising the use of equity capital and by prioritising such alternate funding sources.

The Company believes that the enormous size of the resource already appraised on Pantheon's acreage provides the potential for more than five hundred wells. Whilst in absolute terms this would entail cumulative investment estimated in the billions of dollars over the lifetime of the project, and whilst the future costs and revenues are uncertain, Pantheon currently estimates that the maximum negative cumulative outlay over the lifetime of the project could be as high as \$300 million. Once in full development, it is believed that production revenues would have the potential to self-finance the remaining development costs, as would typically be the case in such developments. Furthermore, the Company could fund a substantial portion of the maximum negative cumulative outlay could through debt secured by expected future revenues from gas and other hydrocarbon sales. The Group has no contractual obligation to drill any future wells and the only obligation is to plug and abandon the Talitha-A test well, the estimated cost of which (\$1.6m) has already been provided for in the financial accounts. Given the quality and advancement of the assets, the Company is optimistic in its ability to raise capital as and when required. Accordingly, the financial statements have been prepared on a going concern basis.

1.5 Revenue

During the previous year oil sales commenced as a result of testing at Alkaid-2. There were one off FY 2024 oil sales resulting from the re-entry and flow test of the Alkaid-2 well. This is considered to be non-recurring because it only occurred during the testing phase and production and thus production revenues stopped once flow testing operations ended. Once in production, revenue from contracts with customers will be recognised in accordance with IFRS15 Revenue from Contracts with Customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Contract balances

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Group performs by transferring goods to a customer before the customer pays consideration or before payment is due, a

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

contract asset is recognised for the earned consideration that is conditional. The Group does not have any contract assets as performance and a right to consideration occurs within a short period of time and all rights to consideration are unconditional.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

1.6 Foreign currency translation

(i) Functional and presentational currency

The financial statements for the Group and the Company are presented in US Dollars (\$) and this is the Group's Presentation currency. The Functional currency of all entities within the Group, excluding the Parent Company, is \$USD. The Functional currency of the Parent Company is £GBP.

(ii) Transactions and balances

Transactions in foreign currencies are translated into US dollars at the spot rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange gain or loss is dealt with in the income statement.

The assets, liabilities of the Parent Company are translated into US dollars at the rates of exchange ruling at the year end. Exchange differences resulting from the retranslation of currencies are treated as movements on reserves.

The results of the Parent Company are translated into US dollars at the average rates of exchange during the year.

(iii) Inter-group Loans

Inter-group Loans are made from the Parent Company to the Subsidiaries. These loans are denominated in £GBP as the Parent Company's functional currency is £GBP. At the end of the period the Parent Company presents these loans in \$USD, as the presentation currency is \$USD for the Group. Any resulting foreign exchange gain or loss incurred by the subsidiaries is recorded at their individual entity level and these loans are then eliminated at the consolidated level. This treatment has been adopted as these loans, in substance, more closely resemble a net investment in that foreign operation.

1.7 Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of 90 days or less to be cash equivalents, carried at the lower of cost or market value.

1.8 Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and expected to apply when the related deferred tax is realised, or the deferred liability is settled.

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

1.9 Exploration and evaluation costs and developed oil and gas properties

The Group follows the 'successful efforts' method of accounting for exploration and evaluation costs. At the point of production, all costs associated with oil, gas and mineral exploration and investments are classified into and capitalised on a 'cash generating unit' ("CGU") basis, in accordance with IAS 36. Costs incurred include appropriate technical and administrative expenses but not general corporate overheads. If an exploration project is successful, the related expenditures will be transferred to Developed Oil and Gas Properties and amortised over the estimated life of the commercial reserves on a 'unit of production' basis.

The recoverability of all exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of the reserves and future profitable production or proceeds from the disposition thereof. All balance sheet carrying

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

values are reviewed for indicators of impairment at least twice yearly. The prospect acreage has been classified into discrete “projects” or, upon production, CGUs. When production commences the accumulated costs for the specific CGU is transferred from intangible fixed assets to tangible fixed assets i.e., ‘Developed Oil & Gas Properties’ or ‘Production Facilities and Equipment’, as appropriate. Amounts recorded for these assets represent historical costs and are not intended to reflect present or future values.

In accordance with IFRS 3 Business Combinations, exploration assets acquired as part of a business acquisition, and hence combination, are recorded at their fair value as opposed to the fair value of the consideration paid.

1.10 Impairment of exploration costs and developed oil and gas properties, depreciation of assets, plug & abandonment and goodwill

In accordance with IFRS 6 ‘Exploration for and Evaluation of Mineral Resources’ (IFRS 6), exploration and evaluation assets are reviewed for indicators of impairment. Should indicators of impairment be identified, an impairment test is performed.

In accordance with IAS 36, the Group is required to perform an “impairment test” on assets when an assessment of specific facts and circumstances indicate there may be an indication of impairment, specifically to ensure that the assets are carried at no more than their recoverable amount. Where an impairment test is required, any impairment loss is measured, presented and disclosed in accordance with IAS 36.

In accordance with IAS 36 the Group has determined an accounting policy for allocating exploration and evaluation assets to specific CGU where applicable.

Exploration and evaluation costs

The Alaskan exploration and evaluation leasehold assets were subject to a fair value assessment as at the date of acquisition. The carrying value at 30 June 2024 represents the cost of acquisition plus any fair value adjustment, where appropriate, and subsequent capitalised costs, in accordance with UK adopted IAS.

Decommissioning Charges

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group’s facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure may also change – for example, in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management’s best estimate of the present value of the future decommissioning costs required.

For all wells the Group has adopted a Decommissioning Policy in which all decommissioning costs are recognised when a well is either completed, abandoned, suspended or a decision taken that the well will likely be plugged and abandoned in due course. For completed or suspended wells, the decommissioning charge is provided for and subsequently depleted over the useful life of well using unit of production method. To date no depletion expense has been recorded on the assets currently held by the Group.

Other property, plant and equipment

Other property, plant and equipment are stated at historical cost less depreciation. Depreciation is provided at rates calculated to write off the costs less estimated residual value of each asset over its estimated useful life, as follows:

Office equipment is depreciated by equal annual instalments over their expected useful lives, being 3 years.

1.11 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Financial assets, if/where applicable, are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings (unsecured convertible bond debt), trade and other payables and embedded derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or fair value gains/(losses) on derivative financial instruments.

Embedded derivative financial instruments

A borrowing arrangement structured as an unsecured convertible bond repayable in stock over 20 quarterly instalments, in addition to the right of the lender to voluntarily convert part or all of the outstanding principal prior to the maturity date of the bond, has a derivative embedded in the instrument. This is considered to be a separable embedded derivative of the loan instrument.

At the date of issue, the fair value of the embedded derivative is estimated by considering the derivative as a series of individual components with modelling of the fixed and floating legs to determine a repayment schedule and derive a net present value for the forward contract embedded derivative.

This amount is recognised separately as a financial liability or financial asset and measured at fair value through the income statement. The residual amount of the loan is then recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

IFRS 9 Expected Credit Loss Model

IFRS 9 requires that credit losses on financial assets are measured and recognised using the "expected credit loss" (ECL) approach. Other than cash, the only other financial assets held are \$2.46m in drilling deposits lodged with the state of Alaska. These drilling deposits are held as security to cover future obligations to the state of Alaska for Great Bear Pantheon to perform dismantle, removal and restoration activities. Funds held by the state of Alaska are considered to have virtually no risk of credit loss. These funds cannot be accessed or utilised by the Group until such time as the state of Alaska releases the funds back to the Group.

1.12 Leases

All contracts entered into by the group are assessed to determine if they are either a lease contract or contain a lease contract. Where a lease is identified, the Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is a lessee.

There are three key evaluations in determining a lease contract:

I. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

II. The Group has the right to obtain substantially all of the economic benefits from use of the identified assets throughout the period of use, considering rights within the defined scope of the contract.

III. The Group has the right to direct the use of the identified asset throughout the period of use.

Lease liabilities are initially measured at the discounted present value of all future lease payments, excluding prepayments made up to and including the commencement date of the lease. The discount rate used is either the rate implicit in the lease, or if that is not readily determined, the incremental borrowing rate.

The lease liability is presented as a separate line item in the balance sheet.

Subsequent measurement of the lease liability includes increases to the carrying amount of the liability to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount for the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

A. There is a change in the lease term. In such cases the lease liability is remeasured by discounting the revised lease payments using the revised discount rate.

B. Change of lease payments (due to changes in the reference index or rate) or any changes in expected payments under a guaranteed residual value. In such instances the lease liability is remeasured using unchanged discount rates; a revised discount rate is used where the lease payments are changed due to a change in a floating interest rate.

C. Where a lease modification is not accounted for as a separate lease. In such a case the lease liability is remeasured based on the modified lease term, using the revised discount rate at the date of the modification.

The initial carrying value of a right-of-use assets consists of:

- The corresponding lease liability
- All and any prepayments prior to the lease commencement
- Less: Any lease incentive received by the lessee
- Less: Any initial direct costs incurred by the lessee

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The asset is subsequently measured at initial carrying value less accumulated depreciation and impairment losses.

Where an impairment indicator has been identified, an impairment test is conducted. In assessing whether an impairment is required, the carrying value of the asset is compared with its recoverable value. The recoverable amount is the higher of the assets fair value less the costs to sell and value in use.

1.13 Critical accounting estimates and judgements

The preparation of financial statements in conformity with UK adopted International Accounting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRSs also require management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

Impairment of tangible and intangible exploration & evaluation assets

The first stage of the impairment process is the identification of an indicator of impairment. Such indications can include significant geological or geophysical information which may negatively impact the existing assessment of a project's potential for recoverability (regional to the Alaska North Slope, or more localized to the leases held by Pantheon or by specific data relating to the Group's projects), significant reductions in estimates of resources (via

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

third-party derived analysis or internally developed analysis), significant falls in commodity prices, a significant revision of Group Strategy or of the plan for the development of a field, operational issues which may require significant capital expenditure to remediate, environmental, political or regulatory impacts and others. This list is not exhaustive and management judgement is required to decide if an indicator of impairment exists. The Group regularly assesses the tangible and non-tangible assets for indicators of impairment. When an impairment indicator exists an impairment test is performed; next, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment of loans between Parent and Subsidiaries

The carrying amount of the loans made to the subsidiaries is tested for impairment annually and this process is considered to be key judgement along with determining whenever changes circumstances or events indicate that the carrying amounts of those loans may not be recoverable. When assessing the recovery of these loans, the Board of Directors considers the likelihood that the subsidiaries will be able to settle the amounts owing, either out of future anticipated cashflows or through divestment of assets. These loans to foreign subsidiaries, for which settlement is neither specifically planned, nor likely to occur in the near term foreseeable future is, in substance, a part of the Company's investment in foreign operation and impairment is assessed from this perspective.

Contingent liabilities

Pursuant to IAS 37, a contingent liability is either: (1) a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of some uncertain future event not wholly within the entity's control, or (2) a present obligation that arises from a past event but is not recognized because either: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability.

Share-based payments

The Group records charges for share-based payments.

For option-based share-based payments, to determine the value of the options management estimates certain factors used in the option pricing model, including volatility, vesting date, exercise date of options and the number of options likely to vest. At each reporting date during the vesting period, management estimates the number of shares that will vest after considering the vesting criteria. If these estimates vary from actual occurrence, this will impact on the value of the equity carried in the reserves.

Segment Reporting

The operating segments, namely UK (PLC administration) and US (Alaskan operations/office plus Houston Headquarters), are reported in a way that is consistent with the internal reporting and provided to the chief operating decision maker as required by IFRS 8 "Operating Segments." The Board of Directors, has been identified as the chief operating decision-maker. As such, the Board of Directors is responsible for allocating resources and assessing performance of the operating segments.

The accounting policies of the reporting segments are consistent with the accounting policies of the Group as a whole. The segment profit and loss represents the profit or loss earned by each segment. This is the measure of profit that is reported to the Board of Directors for the purpose of resource allocation and the assessment of each segment's performance. When assessing segment performance and considering the allocation of resources, the Board of Directors reviews each segment's assets and total liabilities; for this purpose, all assets and liabilities are allocated to reportable segments.

1.14 New and amended International Financial Reporting Standards adopted by the Group

New standards and interpretations not applied

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Standard	Impact on initial application	Effective date
IFRS 16	Lease liability in a sale and leaseback (amendment to IFRS 16)	1 January 2024
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Classification of Non-current Liabilities with covenants	1 January 2024
IFRS 7	Statement of Cash Flows (Supplier Finance Arrangements) Financial Instruments (Supplier Finance Arrangements)	1 January 2024
IAS 21	The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)	1 January 2024

The Group does not anticipate that the adoption of these standards will have a material effect on its financial statements in the period of initial adoption.

1.15 Share based payments

On occasion, the Company has made share-based payments to certain Directors, staff and consultants by way of issue of ordinary shares and share options. In the case of share options, the fair value of these payments is calculated by the Company using the Black-Scholes option pricing model. The expense is recognised on a straight-line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of the expected number of shares that will eventually vest. There were no new issues of share options made during the year.

1.16 Translation differences

The financial statements for the Group and the Company are presented in US Dollars (\$) and this is the Group's Presentation currency. The Functional currency of all entities within the Group, excluding the Parent Company, is \$USD. The Functional currency of the Parent Company is £GBP.

The assets, liabilities of the Parent Company are translated into US dollars at the rates of exchange ruling at the year end. The income and expenses of the Parent Company are translated into US dollars at the average rates of exchange during the year. Exchange differences resulting from the retranslation of currencies are shown in the "Other Comprehensive Income for the Year" section of the Statement of Comprehensive Income and are treated as movements on reserves. Foreign exchange gains or losses incurred by the subsidiaries on the intra-group loans are recorded at their individual entity level and these loans and associated foreign exchange gains or losses are subsequently eliminated upon consolidation.

2. Loss per share

The total loss per ordinary share from continuing operations for the group is 1.25 US cents (2023: 0.18 US cents - loss). The loss is calculated by dividing the loss for the year by the weighted average number of ordinary shares in issue of 925,860,425 (2023: 791,082,592).

The diluted profit per share has been kept the same as the basic profit per share because as the Company reported a loss, hence including the additional dilution would have resulted in a reduction of the loss per share.

The diluted weighted average number of shares in issue is 976,299,346 (2023: 841,521,513). Change in shares is reflected in note 17.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

3. Segmental information

The Group's activities involve the exploration for oil and gas. There are two reportable operating segments: "US", which includes the Alaskan Operation plus administration based in Alaska and Texas and "UK"; Office for Pantheon Resources PLC.

Each reportable segment adopts the same accounting policies.

In compliance with IFRS 8 'Operating Segments', the following tables reconcile the operational loss and the assets and liabilities of each reportable segment with the consolidated figures presented in these Financial Statements, together with comparative figures for the year ended 30 June 2024.

Year ended 30 June 2024

Geographical segment (Group)	UK	US	Consolidated
	\$	\$	\$
Revenue	-	13,393	13,393
Cost of sales	-	(7,153)	(7,153)
Administration expenses	(2,526,955)	(6,246,793)	(8,773,748)
Convertible Bond and other - Interest Expense	(4,889,255)	(4,385)	(4,893,640)
Convertible Bond - Revaluation of Derivative Liability	(337,055)	-	(337,055)
Interest receivable	554,162	76,209	630,371
Taxation	-	1,822,247	1,822,247
Loss by reportable segment	(7,199,103)	(4,346,482)	(11,545,585)
Exploration & evaluation assets	-	293,635,128	293,635,128
Property, plant & equipment	25,698	103,502	129,200
Trade and other receivables	98,759	2,845,783	2,944,542
Cash and cash equivalents	7,543,991	369,871	7,913,862
Intercompany balances	292,828,674	(292,828,674)	-
Total assets by reportable segment	300,947,122	4,125,610	304,622,732
Total liabilities by reportable segment	(21,738,485)	(5,981,023)	(27,719,508)
Net assets by reportable segment	278,758,637	(1,855,413)	276,903,224

PANTHEON RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Year ended 30 June 2023

Geographical segment (Group)	UK	US	Consolidated
	\$	\$	\$
Revenue	-	803,689	803,689
Production royalties	-	(97,990)	(97,990)
Cost of sales	-	(575,300)	(575,300)
Administration expenses	997,106	(4,867,779)	(3,870,673)
Share based payments (Options & RSU's)	(3,146,170)	-	(3,146,170)
Convertible Bond - Interest Expense	(6,111,118)	-	(6,111,118)
Convertible Bond - Revaluation of			
Derivative Liability	11,321,514	-	11,321,514
Interest receivable	337,894	311	338,205
Other Income	-	30,000	30,000
Taxation	-	(138,844)	(138,844)
Loss by reportable segment	3,399,226	(4,845,913)	(1,446,687)
Exploration & evaluation assets	-	286,668,349	286,668,349
Property, plant & equipment	38,570	-	38,570
Trade and other receivables	154,161	2,405,361	2,559,522
Cash and cash equivalents	19,518,284	1,142,727	20,661,011
Intercompany balances	279,494,628	(279,494,628)	-
Total assets by reportable segment	299,205,643	10,721,809	309,927,452
Total liabilities by reportable segment	(28,003,014)	(9,495,832)	(37,498,847)
Net assets by reportable segment	271,202,629	1,225,978	272,428,606

4. Operating loss

	2024	2023
	\$	\$
Operating loss is stated after charging:		
Depreciation – office equipment	4,399	1,869
Depreciation Right of use assets	68,704	55,700
Auditor's remuneration		
- group and parent company audit services	172,392	133,000

5. Employment costs

The employee costs of the Group, including Directors' remuneration, are as follows:

	2024	2023
	\$	\$
Wages and salaries	3,224,433	2,680,169
Social security costs	214,898	170,861
Statutory pension costs	21,905	21,087
Share based payments	-	3,146,170
	3,461,236	6,018,287

The summary of the directors' remuneration is shown in the Directors' report beginning on Page 23. The Directors are considered to be the key management during the fiscal year.

PANTHEON RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
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	2024	2023
Number of employees (including Executive Directors) at the end of the year	number	number
Management and administration	12	15

6. Interest receivable

	2024	2023
	\$	\$
Bank interest	630,371	338,205

7. Taxation

	2024	2023
	\$	\$
Current tax		
US federal corporate tax	-	-
US state and local tax	-	-
UK corporate tax	-	-
Factors affecting the tax charge for the period		-
Income (loss) on ordinary activities before taxation	(13,367,832)	(1,307,843)
Income (loss) on ordinary activities before taxation multiplied by the standard US corporate tax rate of 21% (2023: US corporate tax rate of 21%)	(2,807,245)	(274,647)
Effects of:		
State of Alaska tax benefits associated with temporary book-to-tax differences	(448,411)	(335,421)
US federal tax benefit associated with temporary book-to-tax differences	105,313	748,912
US federal tax benefit associated with reassessed future utilization of loss carry forward	1,328,095	-
Total tax (credit)/charge	(1,822,248)	138,844

Factors that may affect future tax charges

The Group's deferred tax assets and liabilities as at 30 June 2024 have been measured at 21% for items subject to US federal income tax only, items subject to state of Alaska and US federal income tax are reflected at an Alaska rate of 9.4% and a US federal rate, net of state of Alaska tax deduction, of 28.426%. No deferred tax has been provided for the UK tax losses as there is no expectation of the utilisation in the near future.

At the year-end date, the Group has unused losses carried forward of \$136.9m (2023: \$123.6m) available for offset against suitable future profits. Unused US tax losses incurred prior to January 1, 2018 expire in general within 20 years of the year in which they are sustained. Losses sustained after December 31, 2017 do not expire. The UK tax losses carried forward are approximately \$16m (2023: \$11.5m). A deferred tax asset in respect of the unutilised carried forward losses has not been recognised due to the uncertainty of the timing of any future profits.

PANTHEON RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The deferred tax liability at 30 June 2024 is \$Nil (2023: \$1,822,247). The deferred tax liability is comprised of future tax benefits (deferred tax asset) primarily associated with net operating losses generated in prior years and the estimated loss generated in the current year, combined with future tax expenses (deferred tax liability) associated with the book gain on bargain purchase not yet recognized for income tax. Net operating losses will offset future taxable income and reduce the tax liability that would otherwise be incurred. The tax deferred gain on bargain purchase will result in future taxable income greater than book net income.

8. Subsidiary entities

The Company currently has the following wholly owned subsidiaries:

Name	Country of Incorporation	Percentage ownership	Activity	Registered office address
Hadrian Oil & Gas LLC	United States	100%	Holding Company	5718 Westheimer, Suite 1600, Houston, Texas 77057
Agrippa LLC	United States	100%	Holding Company	5718 Westheimer, Suite 1600, Houston, Texas 77057
Pantheon Oil & Gas LP	United States	100%	Oil & Gas exploration	5718 Westheimer, Suite 1600, Houston, Texas 77057
Great Bear Petroleum Ventures I, LLC	United States	100%	Lease Holding Company	3705 Arctic Blvd. # 2324 Anchorage, Alaska 99503
Great Bear Petroleum Ventures II, LLC	United States	100%	Lease Holding Company	3705 Arctic Blvd. # 2324 Anchorage, Alaska 99503
Great Bear Pantheon, LLC	United States	100%	Operating Company	3705 Arctic Blvd. # 2324 Anchorage, Alaska 99503
Pantheon East Texas, LLC	United States	100%	Holding Company	5718 Westheimer, Suite 1600, Houston, Texas 77057
Pantheon Operating Company, LLC	United States	100%	Operating Company	P.O. Box 11082 Spring, Texas 77391-1082
Borealis Petroleum LLC	United States	100%	Lease Holding Company	3705 Arctic Blvd. # 2324 Anchorage, Alaska 99503

Pantheon Oil & Gas LP is 99% owned by Agrippa LLC as its limited partner and 1% by Hadrian Oil & Gas LLC as its general partner.

9. Trade, other receivables, and deposits

	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
Amounts falling due within one year:				
Prepayments & accrued income	467,026	55,199	98,759	52,500
Other receivables and deposits	2,477,516	2,504,323	7,575	101,661
Total	2,944,542	2,559,522	106,334	154,161

PANTHEON RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

	Group 2024	Group 2023	Company 2024	Company 2023
	\$	\$	\$	\$
Amounts falling due after one year:				
Loans to subsidiaries	-	-	292,828,674	279,494,628

An annual impairment review of the amount due from subsidiary undertakings (loans to subsidiaries) is performed by comparing the expected recoverable amount of the subsidiary's underlying tangible and intangible assets to the carrying value of the loan in the Company's statement of financial position. This has been assessed in line with IFRS 9 for credit losses however recoverability is supported by the underlying assets.

On the basis of ongoing annual assessments, the lifetime expected credit losses are recognised against loans and receivables when they are identified and are recorded in the statement of comprehensive income.

10. Cash and cash equivalents

	Group 2024	Group 2023	Company 2024	Company 2023
	\$	\$	\$	\$
Cash at bank and in hand	7,913,862	20,661,012	7,543,991	19,518,284

11. Trade and other payables

	Group 2024	Group 2023	Company 2024	Company 2023
	\$	\$	\$	\$
Trade creditors	50,470	251,617	49,403	250,539
Accruals	653,026	2,588,994	229,461	366,886
Total	703,496	2,840,611	278,864	617,425

12. Provisions

Plug and Abandonment Provision

The Group recognises a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the field location. A breakdown of these costs is detailed at Note 20.

Legal Costs

Legal costs have been provided for due to an ongoing dispute with a third-party vendor as detailed in Note 25.

Provisions	Group 2024	Group 2023	Company 2024	Company 2023
	\$	\$	\$	\$
Plug and Abandonment	5,200,400	5,200,400	-	-
Legal costs	250,000	250,000	-	-
Other provision – Irrecoverable VAT	470,630	566,838	470,630	566,838
Total	5,921,030	6,017,238	470,630	566,838

PANTHEON RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Provisions – Group 2024	Plug and Abandonment	Other	Total
	\$	\$	\$
Opening balance	5,200,400	816,838	6,017,238
(Decrease) / Increase in period	-	(96,208)	(96,208)
Amounts unused	5,200,400	720,630	5,921,030
Closing balance	5,200,400	720,630	5,921,030

Provisions – Group 2023	Plug and Abandonment	Other	Total
	\$	\$	\$
Opening balance	4,500,400	785,040	5,285,440
(Decrease) / Increase in period	700,000	31,798	731,798
Amounts unused	5,200,400	816,838	6,017,238
Closing balance	5,200,400	816,838	6,017,238

13. Exploration and evaluation assets

Group	2024	2023
	\$	\$
Cost		
At 1 July	286,798,461	237,852,406
Additions	6,966,779	48,246,055
Additions to Asset Retirement Obligations	-	700,000
At 30 June	293,765,240	286,798,461
Impairment		
As at 1 July	130,112	130,112
Charge for year	-	-
At 30 June	130,112	130,112
Net book value		
At 30 June	293,635,128	286,668,349

The Group additions for the year comprise the direct costs associated with the preparation of drilling of oil and gas wells, together with costs associated with leases and seismic acquisition and processing.

An assessment for indicators for impairment was conducted on all of the Group's exploration and evaluation assets. Indicators of impairment included asset specific criteria such as, but not limited to, the emergence of negative geological/geophysical analysis, unsuccessful drilling results, a deterioration in the Group's lease position, and the presence of relevant regional drilling data. The successful drilling campaign over recent years, reinforced by the external validation from third party experts on the Group's geological data, including, amongst other, receipt in the 2024 fiscal year of the three favorable IERs from NSAI (relating to Kodiak), CGA (relating to Ahpun - Western Topset), and LKA (relating to Ahpun - Alkaid), has caused the Group to conclude that no impairment was required. In making assessments for indicators of impairment other criteria were considered such as, but not limited to, changes to commodity prices, a worsening of regulatory or environmental factors and macroeconomic conditions. The Group considered such indicators for impairment and concluded that no impairment was required.

PANTHEON RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

14. Leases

Right of use assets

The Group used leasing arrangements relating to property, plant and equipment. As the Group has the right of use of the asset for the duration of the lease arrangement, a “right of use” asset is recognised within property, plant and equipment.

When a lease begins, a liability and right of use asset are recognised based on the present value of the lease payments.

	Group 2024	Group 2023
	\$	\$
Interest expense on lease liabilities	6,566	5,746
Total cash outflow for leases	(74,338)	(60,913)
As at 1 July	34,124	88,627
Additions to right-of-use assets	164,250	-
Depreciation charge - right of use assets	(68,704)	(55,700)
Foreign exchange movement on right of use assets	(470)	1,198
Carrying amount at the end of the year: Right of use assets	129,200	34,124

Lease liabilities

	Group 2024	Group 2023
	\$	\$
Current	63,395	36,435
Non-current	69,028	-
	132,423	36,435

	Company 2024	Company 2023
	\$	\$
Interest expense on lease liabilities	2,181	5,746
Total cash outflow for leases	(55,748)	(60,913)
As at 1 July	34,124	88,627
Additions to right-of-use assets	44,054	-
Depreciation charge - right of use assets	(52,010)	(55,700)
Foreign exchange movement on right of use assets	(470)	1,198
Carrying amount at the end of the year: Right of use assets	25,698	34,124

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Lease liabilities

	Company 2024	Company 2023
	\$	\$
Current	26,432	36,435
Non-current	-	-
	<u>26,432</u>	<u>36,435</u>

15. Unsecured Convertible Bond

In December 2021, the Company issued \$55 million worth of senior unsecured convertible bonds to a fund advised by Heights Capital Ireland LLC, a global equity and equity-linked focused investor. At the end of the financial year, 30 June 2024, the notional outstanding balance is \$24.5 million.

The Convertible Bonds have a maturity of 5 years, a coupon of 4.0% per annum and are repayable in 20 quarterly repayments (“amortisations”) of principal and interest over the 5 year term of the convertible bond, with the last repayment due in December 2026. Such quarterly amortisations are repayable at the Company’s option, in either cash at face value, or in ordinary shares (“stock”) at the lower of the conversion price (presently USD\$0.8348 per share) or a 10% discount to volume weighted average price (“VWAP”) in the 10 or 3 day trading period prior to election date. Additionally, the bondholder has the option to partially convert the convertible bond at its discretion. A full summary of the terms of Convertible Bonds is detailed in the Company’s RNS dated 7 December, 2021. Note that post year end, in July 2024, Pantheon repaid the final two convertible bond repayments in advance (in respect of the September 2026 and December 2026 repayments). Accordingly, the final repayment on the convertible bond is now June 2026.

The bond agreement contains embedded derivatives in conjunction with an ordinary bond. As a result, and in accordance with the accounting standards, the convertible bonds are shown in the Consolidated Statement of Financial Position, in two separate components, namely Convertible Bond – Debt and Convertible Bond – Derivative. At the time of recognition (Dec 2021) the \$55m bonds were split, \$39,175,363 for the Debt Component and \$15,824,637 for the Derivative Component.

In order to value the derivative component, Pantheon engaged a third party expert valuation specialist group to perform the valuations, who determined that the valuation of the instrument required a Monte-Carlo simulation of share price outcomes over the 5 year life to determine the ultimate value of the conversion option. This produced a calculated Effective Interest Rate (“EIR”) of 20.41%. For the year end date of 30 June 2024, the third party expert valuation group performed their Monte-Carlo simulation and valuation calculations to determine the new value for the derivative component to be \$744,851. The resulting movement of \$337,055 was posted to the consolidated statement of comprehensive income to the account “Revaluation of derivative liability”. These amounts will be revalued every balance sheet date with the differences being accounted for in the consolidated statement of comprehensive income.

At 30 June 2024 the Unsecured Convertible Bond is shown in the Consolidated Statement of Financial Position in the following categories;

Convertible Bond – Debt Component (Current Liability)	7,090,177
Convertible Bond – Debt Component (Non-current Liability)	13,127,532
Convertible Bond – Derivative Component (Non-current Liability)	<u>744,851</u>
Total	<u>\$20,962,560</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

16. Property Plant and Equipment

Group	Office Equipment \$	Right of Use Assets \$	Total \$
Cost			
At 1 July 2022	19,467	215,862	235,329
Exchange Difference	(1,068)	(3,216)	(4,284)
Additions	3,113	-	3,113
At 30 June 2023	21,512	212,646	234,158
Exchange Difference	-	(1,042)	(1,042)
Additions	-	164,250	164,250
At 30 June 2024	21,512	375,854	397,366
Depreciation			
At 1 July 2022	16,402	127,237	143,639
Depreciation for the year	1,869	55,700	57,569
Exchange difference	(1,206)	(4,414)	(5,620)
At 30 June 2023	17,065	178,523	195,588
Depreciation for the year	4,399	68,704	73,103
Exchange difference	48	(573)	(525)
At 30 June 2024	21,512	246,654	268,166
Net book value			
As at 30 June 2024	-	129,200	129,200
As at 30 June 2023	4,447	34,123	38,570

PANTHEON RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Company	Office Equipment \$	Right of Use Assets \$	Total \$
Cost			
At 1 July 2022	19,467	215,862	235,329
Exchange Difference	(1,068)	(3,216)	(4,284)
Additions	3,113	-	3,113
At 30 June 2023	21,512	212,646	234,158
Exchange Difference	-	(1,042)	(1,042)
Additions	-	44,054	44,054
At 30 June 2024	21,512	255,658	277,170
Depreciation			
At 1 July 2022	16,402	127,237	143,639
Depreciation for the year	1,869	55,700	57,569
Exchange difference	(1,206)	(4,414)	(5,620)
At 30 June 2023	17,065	178,523	195,588
Depreciation for the year	4,399	52,010	56,409
Exchange difference	48	(573)	(525)
At 30 June 2024	21,512	229,960	251,472
Net book value			
As at 30 June 2024	-	25,698	25,698
As at 30 June 2023	4,447	34,123	38,570

17. Share Capital

	2024 \$	2023 \$
Allotted, issued and fully paid: 960,919,660 (2023: 907,206,399) ordinary shares of £0.01 each	13,139,392	12,464,667
Issued share capital:		Issued and fully paid capital \$
As at 30 June 2024	Number 960,919,660	13,139,392
960,919,660 ordinary shares of £0.01 each (2023: 907,206,399)		
Total	960,919,660	13,139,392

A summary of movements in share capital is summarised in the table below.

PANTHEON RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Movement in ordinary shares	Number	Share Capital \$	Share Premium \$
As at 1 July 2022	767,705,537	10,720,459	264,879,194
September 22 - Convertible Bond: Third Amortisation	2,800,813	33,893	2,857,106
December 22 - Convertible Bond: Fourth Amortisation	3,276,374	39,649	2,826,851
September 22 - Exercise of Share Options	4,525,000	54,759	1,701,259
February 23 - Conversion of 100% of RSU	290,000	3,685	178,744
March 23 - Convertible Bond: Fifth Amortisation	9,257,328	117,645	2,724,354
May 23 - Placement - First Tranche	95,395,134	1,192,010	19,072,158
May 23 - Placement - Second Tranche	8,783,893	109,759	1,756,146
June 23 - Convertible Bond: Sixth Amortisation	15,172,320	192,816	2,624,684
Capital Raise Fees	-	-	(790,418)
As at 30 June 2023	907,206,399	12,464,677	297,830,078
September 23 - Private Placement	11,905,370	145,405	2,585,302
November 23 - Private Placement	16,286,343	203,278	4,024,904
March 24 - Convertible Bond Amortisation	8,820,315	112,874	2,949,386
June 24 - Convertible Bond Amortisation	7,471,153	95,354	2,611,946
June 24 - Private Placement	9,230,080	117,804	3,226,874
As at 30 June 2024	960,919,660	13,139,392	313,228,490

18. Net cash outflow from operating activities

	Group 2024 \$	Group 2023 \$
Loss for the year	(11,545,585)	(1,446,687)
Net interest received	(629,614)	(338,205)
Share Based Payments (non-cash expense)	-	3,146,170
Depreciation of office equipment	4,399	1,869
Depreciation of right of use assets	68,704	55,700
Interest Expense	4,892,883	6,111,118
Convertible Bond – Revaluation of derivative liability	337,055	(11,321,514)
(Decrease) / Increase in Provisions – irrecoverable VAT	(96,209)	7,302
Increase in trade and other receivables	(385,020)	(61,076)
Decrease in trade and other payables	(2,137,115)	(4,648,183)
Effect of translation differences	(52,666)	(3,041,194)
Taxation (Benefit) / Charge	(1,822,247)	138,844
Net cash outflow from operating activities	(11,365,415)	(11,395,855)

PANTHEON RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
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	Company 2024	Company 2023
	\$	\$
(Loss) / Profit for the year	(7,199,103)	3,399,226
Net interest received	(556,626)	(337,894)
Share Based Payments non-cash expense	-	3,146,170
Depreciation	4,399	1,869
Depreciation of right of use assets	52,010	55,700
Interest Expense	4,888,498	6,111,118
Convertible Bond – Revaluation of derivative liability	337,055	(11,321,514)
(Decrease) / Increase in Other provisions – irrecoverable VAT	(92,889)	7,302
Decrease / (Increase) in trade and other receivables	46,799	(56,878)
(Decrease) in trade and other payables	(333,593)	(1,324,123)
Effect of translation differences	52,716	(1,188,080)
Net cash outflow from operating activities	<u>(2,800,734)</u>	<u>(1,507,104)</u>

19. Control

No one party controls the Company.

20. Decommissioning expenditure

Plug & Abandonment

The Directors have considered the environmental issues and the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation. As at 30 June 2024 the Group has fully provided for the future plug and abandonment charges in relation to its wells on the Alaskan North Slope. In situations in which a well will likely be used as a future disposal well, that fact is taken into account.

The Group provides for the estimated costs of future plug/abandonment and environmental remediation and rehabilitation for all wells drilled if not abandoned at that time, and for the estimated costs of future decommissioning, remediation and rehabilitation costs for the gravel pad at Alkaid-2 at such time as those wells/pad(s) come to the end of their respective useful life. By way of example, in a case where a successful well is expected to produce hydrocarbons for a period of 15 years, then the abandonment/rehabilitation provision would be made at the time the well is completed and comes on stream; however, the actual expenditure would not be expected to occur when the works are performed in 15 years' time, ie the provision is made today for work expected in 15 years' time. Similarly, the end of the life of the gravel pad supporting Alkaid-2 and future wells drilled from that location would occur at such time as all producing wells have depleted and the pad would serve no further purpose. Based on this approach, the Group estimates its future plug/abandonment and environmental remediation liabilities as follows:

	Group 2024	Group 2023
	\$	\$
Alaska		
Alkaid Well	666,000	666,000
Alkaid-2 Well	2,970,400	2,970,400
Talitha-A Well	1,564,000	1,564,000
As at 30 June	<u>5,200,400</u>	<u>5,200,400</u>

21. Exploration and evaluation commitments

There were no firm drilling commitments at 30 June 2024. There is an obligation to plug and abandon the Talitha-A test well.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

22. Financial instruments

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables. Financial assets and liabilities are initially measured at fair value plus transaction costs.

The main purpose of cash and cash equivalents financial instruments is to finance the Group's operations. The Group's other financial assets and liabilities, such as receivables and trade payables, arise directly from its operations. It is, and has been throughout the entire period, the Group's policy that no proprietary trading in financial instruments for speculative purposes shall be undertaken. The Group uses treasury bills, notes and other fixed deposits as a mechanism for earning interest income on deposits.

The main risk arising from the Group's financial instruments is market risk. Other minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.

Market risk

Market risk is the risk that changes in market prices, and market factors such as foreign exchange rates and interest rates will affect the entity's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Sensitivity Analysis – how does foreign exchange and interest rate changes affect income

The Oil and Gas operational activities of the group are pre-production. The revenue earned this financial year was a one-off, resulting from flow testing for a limited period of time; this testing has now ceased and is non-repetitive. Hence, there is very limited potential impact on income and no impact on equity.

Sensitivity Analysis – how does foreign exchange and interest rate changes affect holdings in financial instruments

Regarding the cash at bank, the interest receivable is a function of the interest rate that the depositing bank assigns to the account. There is limited potential impact on income and no impact on equity.

Interest rate risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's cash and cash equivalents with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. The Group managed its cash balance by applying certain non committed cash deposits to higher yielding short term deposit accounts, yielding +/- 5% per annum on those deposits towards the end of the financial year when interest rates had risen. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates. The Group has no policy as to maximum or minimum levels of fixed or floating instruments.

The Convertible Bond has a fixed interest coupon rate payable of 4% per annum. This rate is fixed throughout the life of the bond. However, due to the presence of a derivative component within the convertible bond as described in Note 15, from an accounting perspective, an Effective Interest Rate of 20.41% has been calculated to apply to the debt component of the convertible bond. This has in turn been charged to the Income Statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Interest rate risk is measured as the value of assets and liabilities at fixed rate compared to those at variable rate, as reflected in the below table:

<i>Financial assets</i>	Weighted average interest rate 2024 %	Fixed interest rate 2024* (US\$)	Variable interest rate 2024* (US\$)	Non-interest bearing 2024* (US\$)
Cash on deposit	5.09%		7,593,588	320,274
Trade & other receivables	5.25%	2,000,000		944,543

*Balances as at 30 June 2024

Net fair value

The net fair value of financial assets and financial liabilities approximates to their carrying amount as disclosed in the statement of financial position and in the related notes.

Currency risk

The functional currency for the Group's North American operating activities and exploration activities is the US dollar. The Group incurs general administration and advisory expenses in the Parent Company in Pounds Sterling, which is its functional currency. The Group does not use derivative products to hedge foreign exchange risk and has exposure to foreign exchange rates prevailing up to the dates when funds are transferred into different currencies. The Group raises equity capital in Pounds Sterling and converts the majority of this to US dollars to minimise currency risk. The Group continues to keep the matter under review.

The convertible bond is denominated in US dollars with all repayments paid in US dollars. Quarterly repayments are made, at the Company's election, either in cash or shares. When paid in shares the Relevant Share Settlement Price of shares for the purpose of the calculation is the lower of a 10% discount to the 3 day or 10 day volume weighted average share price (VWAP) or a predetermined reference price, currently \$0.8497. For the purpose of calculating VWAP, the daily USD/GBP exchange rate is applied, introducing a currency risk which may or may not result in a differing number of shares being used to settle a repayment, dependent upon the exchange rate.

Financial risk management

The Directors recognise that this is an area in which they may need to develop specific policies should the Group become exposed to wider financial risks as the business develops.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances to ensure the Group can meet liabilities as they fall due.

In managing liquidity risk, the main objective of the Group is therefore to ensure that it has the ability to pay all of its liabilities as they fall due. The Unsecured Convertible Bond liabilities can, at the Company's election, be met through the issuance of ordinary shares rather than cash. The Group monitors its levels of working capital to ensure that it can meet its liabilities as they fall due. The Group monitors its liquidity position carefully and considers equity fundraising, debt or farmouts when additional liquidity is required.

The table below shows the undiscounted cash flows on the Group's financial liabilities as at 30 June 2024 and 2023, on the basis of their earliest possible contractual maturity.

PANTHEON RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
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	Total	Payable on demand	Within 1-3 months	Within 3-6 months	Within 6-12 months	Greater than 1 year
	\$	\$	\$	\$	\$	\$
As at 30 June 2024						
Trade creditors	50,470	-	50,470	-	-	-
Accruals	653,026	-	653,026	-	-	-
Lease liabilities	146,376	-	22,704	22,797	26,749	74,126
Unsecured Convertible Bond	24,500,000	-	2,450,000	2,450,000	4,900,000	14,700,000
Provisions	5,921,030	-	470,630	250,000	-	5,200,400
	<u>31,270,902</u>	<u>-</u>	<u>3,646,830</u>	<u>2,722,797</u>	<u>4,926,749</u>	<u>19,974,526</u>
As at 30 June 2023						
Trade creditors	251,617	-	251,617	-	-	-
Accruals	2,588,994	-	2,588,994	-	-	-
Lease liabilities	36,435	-	15,365	15,740	5,330	-
Unsecured Convertible Bond	34,300,000	-	2,940,000	2,915,500	2,891,000	25,553,500
Provisions	6,017,238	566,838	-	-	-	5,450,400
	<u>43,194,284</u>	<u>566,838</u>	<u>5,795,975</u>	<u>2,931,240</u>	<u>2,896,330</u>	<u>31,003,900</u>

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with what it believes to be creditworthy counterparties and would consider obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread across approved counterparties.

The maximum exposure to credit risk is \$2,944,542 (2023: \$2,559,522). These items are also reflected in note 9.

Capital management

The Group's capital management objectives are:

- To provide long-term returns to shareholders
- To ensure the Group's ability to continue as a going concern

The Group defines and monitors capital to ensure that the Company meets its objectives above, focussing on long-term share price growth, long term growth in production and resources, and a short-term requirement to ensure a going concern.

The Board of Directors monitors the available capital as well as the Group's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares. The Group is not subject to any externally imposed capital requirements.

These policies have not changed in the year. The Directors believe that they have been able to meet their objectives in managing the capital of the Group.

**NOTES TO THE FINANCIAL STATEMENTS
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23. Share-based payments

Movements in share options in issue

Exercise price	Number of options as of 30 June 2023	Issued during year	Expired / Exercised during year	Number of options as of 30 June 2024
£0.30 ⁽¹⁾	4,825,000	-	-	4,825,000
£0.27 ⁽³⁾	7,000,000	-	-	7,000,000
£0.33 ⁽⁴⁾	12,430,000	-	-	12,430,000
£0.67 ⁽⁵⁾	21,380,000	-	-	21,380,000
Total	45,635,000	-	-	45,635,000

Movements in share warrants in issue

Exercise price	Number of warrants as of 30 June 2023	Issued during year	Expired / Exercised during year	Number of warrants as of 30 June 2024
£0.30 ⁽²⁾	4,803,921	-	-	4,803,921
Total	4,803,921	-	-	4,803,921

- (1) Fully vested. Issued 2014. Expire September 2024. Exercise price £0.30/share. Previously fully expensed.
- (2) Fully vested. Issued 2019. Exercisable into non-voting shares, which are convertible into ordinary fully paid shares on a 1:1 basis. Expire September 2024. Exercise price £0.30/share. Previously fully expensed. In 2019 the Group issued 9,607,843 warrants as part of the consideration for the acquisition of Great Bear Petroleum. The terms of these warrants mirror the terms of the share options referenced in footnote (1) above, however upon exercise they convert on a 1:1 basis into non-voting shares as opposed to ordinary shares. 4,803,921 of these remain unexercised at the years end.
- (3) Fully vested and expire on the 6 July 2030. Issued 2020. Exercise price £0.27/share. Previously fully expensed.
- (4) Fully vested and expire on 27 January 2031. Issued 2021. Exercise price £0.33/share. Previously fully expensed.
- (5) Fully vested and expire 14 January 2027. Issued 2022. Exercise price £0.671/share.

The Group has previously granted share options to directors, employees and consultants under the Staff share option plan, although none have been granted since January 2022. Such share options are equity settled share-based payments as defined in IFRS 2 Share-based payments. A recognised valuation methodology (using the Black & Scholes valuation model) was employed to determine the fair value of options granted with the associated charge being expensed to the Income Statement on a pro rate basis based on vesting. The weighted average exercise price of share options outstanding and exercisable at the end of the period was £0.46 (2023: £0.46).

The Share Option and Restricted Stock Units expense charge to the Consolidated Statement of Comprehensive Income for the year ending 30 June 2024 is \$Nil (2023: \$3,146,170).

The equity reserve account represents current year expenses for unexpired options and warrants and the historical balance on vested option and warrants.

24. Related party transactions

During the year that a subsidiary of the Company entered into a subleasing agreement for office space in Houston with Proton Green LLC, David Hobbs, the Company's Executive Chairman, also served and continues to serve as Executive Chairman of Proton Green LLC. The terms and conditions of the subleasing arrangement were in accordance with commercial norms in the Houston, Texas office space market. The current projected annual subleasing expenses to the Company total less than \$0.1m.

25. Contingent Liabilities

Pursuant to IAS 37, a contingent liability is either: (1) a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of some uncertain future event not wholly within the entity's control, or (2) a present obligation that arises from a past event but is not recognized because either: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability.

Kinder Morgan Treating L.P. ("Kinder Morgan") initiated a dispute over an East Texas gas treating agreement between Kinder Morgan and Vision Operating Company, LLC ("VOC"). VOC ceased making payments to the service provider in July 2019. The service provider subsequently issued a demand to VOC and, in February 2021, served Pantheon Resources PLC with a petition, seeking to recover not less than \$3.35m in respect of this VOC contract. Pantheon held ownership of less than 0.1% of VOC via a 66.6% interest in Vision Resources LLC. Both Vision Resources LLC and VOC filed for Chapter 7 Bankruptcy in the United States Bankruptcy Court for the Southern District of Texas Houston in April 2020.

No Pantheon entity was a signatory to the gas treating agreement and none are named in the agreement. Pantheon took legal advice on the matter and believed it had no liability to the service provider. Accordingly, Pantheon made no provision in previous Annual Statements.

In July 2021, the court dismissed Kinder Morgan's claims against Pantheon Resources plc. Kinder Morgan then asserted claims against two subsidiaries, Pantheon Oil & Gas, LP and Pantheon East Texas, LLC, seeking to recover the same claimed damages under the VOC contract. The court in that lawsuit dismissed the claims against Pantheon East Texas LLC as it was not formed until 18 months after the gas treating agreement was signed.

Pantheon Oil & Gas, LP contested the claims asserted against it. The case proceeded to trial in late October and the jury rendered a verdict in favor of Pantheon Oil & Gas on all counts. Following the verdict, Pantheon Oil & Gas and Pantheon East Texas filed a motion for entry of final judgment in their favor, along with a request for a discretionary award of attorney fees. Kinder Morgan has filed a motion for judgment in its favor notwithstanding the verdict and a pleading challenging Pantheon Oil & Gas and Pantheon East Texas's claim to recover attorney fees. Those post-trial motions are set for hearing in mid-January 2025.

26. Reserves

Share Capital

The share capital account represents the consideration received for the shares issued at their nominal or par value.

Share Premium

The share premium reserve represents the excess of consideration received for shares issued above their nominal value net of transaction costs.

Retained Earnings

Retained losses represent the cumulative profit and loss.

Currency Reserve

The currency reserve represents the foreign exchange gains and losses that have arisen on the translation of £GBP into \$USD.

Share-Based Payments Reserve

The share-based premium reserve represents the cumulative charge for the options and RSUs granted, still

**NOTES TO THE FINANCIAL STATEMENTS
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outstanding, and not exercised.

27. Revenue

For year ended 30 June 2024, the US CGU recognized gross revenue of \$13,393 (2023:\$803,689) from sales of oil produced during an extended production test. Sales during a test period are recognized as revenue under IAS 16-20. Associated cost of sales including, processing, transportation, royalty, and tax totaled \$7,153 (2023:\$673,290).

28. Other Income

The Employee Retention Credit (ERC) – sometimes called the Employee Retention Tax Credit or ERTC – is a refundable tax credit for businesses and tax-exempt organizations that had employees and were affected during the COVID-19 pandemic.

29. Reconciliation of liabilities arising from financing activities and major non-cash transactions

Significant non-cash transactions, from financing activities in relation to unsecured convertible bond, are as follows:

Unsecured Convertible Bond	Group 2024 \$
Opening Balance 1 July 2023	26,782,316
Non-cash flow Bond amortisation	(5,769,560)
Bond amortisation – settled in cash	(5,273,798)
Non-cash flow Forex movement	230
Non-cash flow Interest	4,886,317
Non-cash flow Revaluation of Derivative Liability	337,055
Closing Balance 30 June 2024	<u>20,962,560</u>

Significant non-cash transactions from financing activities in relation to raising new capital are disclosed in note 17. There were no significant non-cash transactions from investing and operating activities in the current year.

30. Subsequent events

In July 2024, Pantheon completed an equity fundraising, raising \$29 million before costs through the issuance of 132,454,566 New Ordinary Shares at a price of 17 pence per Ordinary Share. As part of this fundraising, Directors collectively subscribed for a combined 1,390,287 ordinary shares. Concurrent with the equity fundraising, the Company made an early repayment of \$4.9 million against the Convertible Bond through the issuance of 22,380,254 New Ordinary Shares at a price of 17 pence per Ordinary Share. Pantheon had originally borrowed \$55 million through the Convertible Bond and at the time of publication of this report the balance owing had reduced to \$17.2 million.

In August 2024, Pantheon was awarded the 46 new oil and gas leases comprising 65,691 acres which were successfully bid for in the State of Alaska's 2023 Areawide oil and gas lease sale held in December 2023. The leases were subsequently paid for and issued to Pantheon, bringing its lease interests to 258,295 contiguous acres on the Alaska North Slope. Pantheon has a 100% working interest in all of its leases.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

In September 2024, in line with the Group's stated objective for the consolidation of core management in the Company's Houston headquarters and preparation for a potential US listing, It was announced the CFO role will move to Houston and, as a result, UK based Justin Hondris has stepped down from his role as Director, Finance and Corporate Development and has transitioned to a new role as Senior Vice President for Finance and International Investment. Philip Patman Jr. was appointed Chief Financial Officer of the Group, based in Houston, Texas, United States.

In October 2024, Pantheon announced the appointment of MZ Group ("MZ"), a corporate & financial communications advisor to upgrade its USA presence. MZ Group will lead a strategic investor relations and financial communications programme with a particular focus on North America.

In October 2024, Pantheon announced details of its replacement ESOP for all employees and a Long Term Incentive Plant ("LTIP") for Executive Directors and certain officers of the Company. Under the ESOP the Company issued in aggregate 9,087,584 RSUs across all staff members (excluding NEDs). The RSUs were priced at \$0.2206, being the £0.17 price for the July 2024 equity placement, using current exchange rates, and represented a small premium to the closing share price on the day prior to issue. Under the Share Award Scheme, the initial RSUs, granted to all staff, vest over three years beginning in 2025. Under the LTIP a total of 9 million deeply out of the money share options were granted, vest over a 5 year period and are subject to achievement of challenging performance targets. The exercise price of the initial option grant, the first grant for more than two and a half years, was \$0.835 (c. £0.64), representing a 290% premium to the prevailing share price.

In October 2024 all of the NEDs of the Company, together with the Chair, subscribed for a combined 261,696 ordinary shares in the Company at £0.212 per share, being the closing share price on the prior day.

In November 2024, the Megrez-1 well was spudded. Before drilling, management estimated the well to have a 69% geological chance of success of encountering a 2U Prospective Resources of 609 million barrels of ANS crude and 3.3 Tcf of natural gas – or over 1 billion BOE. This has the potential to add significant incremental resources to the Company's portfolio. We hope to provide additional updates on the results shortly.

In November 2024, Pantheon completed a private placement of 9,108,756 shares at an issue price of \$0.2878 (£0.2266) per ordinary share, raising \$2.622 million. These proceeds will be applied to the full payment of the December 2024 quarterly convertible bond repayment due on 13 December 2024.

The Company has had two of its subsidiaries involved in litigation in Texas, with the case styled *Pantheon Oil & Gas LP and Pantheon East Texas LLC v. Kinder Morgan Treating, LP*, Cause No. 2021-41735, in the 113th Judicial District Court of Harris County, Texas.

The case proceeded to trial in late October and the jury rendered a verdict in favor of Pantheon Oil & Gas on all counts. Following the verdict, Pantheon Oil & Gas and Pantheon East Texas filed a motion for entry of final judgment in their favor, along with a request for a discretionary award of attorney fees. Kinder Morgan Treating has filed a motion for judgment in its favor notwithstanding the verdict and a pleading challenging Pantheon Oil & Gas and Pantheon East Texas's claim to recover attorney fees. Those post-trial motions are set for hearing in mid-January 2025

**GLOSSARY
FOR THE YEAR ENDED 30 JUNE 2024**

GLOSSARY

AGDC	Alaska Gasline Development Corporation
AGM	Annual General Meeting
Alaska LNG	Alaska LNG Project
ANS crude	The mixture of oil, condensate and NGL transported through the Trans-Alaska Pipeline System
bbls	Barrels
bcf	Billion cubic feet
CGA	Cawley Gillespie & Associates
CGU	Cash generating unit
EA	Environmental assessment
ECL	Expected credit loss
EIS	Environmental impact statement
ESOP	Employee stock ownership plan
EUR	Estimate ultimate recovery
FID	Final investment decision
G&A	General & Administrative
GOR	Gas-oil ratio
GSA	Gas Sales Agreement
GSPA	Gas Supply Precedent Agreement
IER	Independent Expert Report
LKA	Lee Keeling & Associates
LNG	Liquefied natural gas
mcf	Thousand cubic feet
mmBtu	Million British Thermal Units
mmcf	Million cubic feet
NED	Non-Executive Director
NGL	Natural gas liquids
NSAI	Netherland, Sewell & Associates, Inc.
PVT	Pressure-volume temperature analysis
RSU	Restricted stock unit
scf	Standard cubic feet
SLB	Former Schlumberger
SMD-B	Shelf Margin Deltaic B
TAPS	Trans-Alaska Pipeline System
tcf	Trillion cubic feet
ZOI	Zone of interest