



DIABLO RESOURCES LIMITED

ACN: 649 177 677

**Consolidated Interim Financial Report
For The Half-Year Ended
31 December 2023**

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DIABLO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTOR'S REPORT

Your directors present their interim report on the Group comprising Diablo Resources Limited (the "Company") and its controlled entities ("the Group") for the half-year ended 31 December 2023.

Directors

The names of the directors in office at any time during, or since the end of, the period are as follows. Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Mr Paul Lloyd (Non-Executive Chairman)
Mr Barnaby Egerton-Warburton (Non-Executive Director)
Mr Greg Smith (Non-Executive Director)

Principal Activities

The principal activity of the Group during the year was the exploration for gold, focusing on the Devil's Canyon Gold Project and Lone Pine Gold Project in the USA. No significant change in the nature of these activities occurred during the period.

Review of Operations

The consolidated loss of the consolidated group for the financial period after providing for income tax amounted to \$285,206 (2022: \$3,970,397).

Lone Pine (King Solomon) Project

The Company completed its first drill program at the Lone Pine Project (now re-named King Solomon Project). A nine (9) hole program for 2108.5m of diamond core drilling (HQ3) was completed during the field season at the LPVZ and King Solomon prospect areas.

The gold mineralisation occurs in multiple zones hosted in highly altered (sericite chlorite-tourmaline) and ferruginised quartz veined zones in both metasediment and intrusive rocks. Significant results include:

- 3.0m @ 2.70 g/t Au from 95m, incl. 1m @ 4.04 g/t Au in LP23-3
- 13.0m @ 12.28 g/t Au from 46m, incl. 4.1m @ 26.26 g/t Au in LP24-4
- 0.86m @ 13.75 g/t Au from 101.6m
- 2.0m @ 5.92 g/t Au from 156m incl. 1.0m @ 10.70 g/t Au from 156m in LP23-7

The mineralisation remains open in all directions.

Devils Canyon Project

The Company completed its maiden drilling programme at several target zones during the reporting period. A total of 10 holes for 855m of RC drilling was completed with significant results returned, as detailed below:

- 6.0m @ 46.7 g/t Ag, 0.78% Cu from 59.4m (incl. 1.5m @ 170 g/t Ag, 2.60% Cu) from 62.5m in RCDC008.
- 1.5m @ 3.7 g/t Ag, 0.25 g/t Au, 1.10% Cu from 7.5m in RCDC001
- 3.0m @ 2.29 g/t Au (incl. 1.5m @ 4.12 g/t Au) from 50.3m in RCDC002
- 1.5m @ 31.2 g/t Ag, 0.69 g/t Au, 0.65% Cu from 41.6m in RCDC008
- 3.0m @ 3.02 g/t Au (incl. 1.5m @ 5.92 g/t Au) from 9.0m in RCDC010

Mineralisation is hosted in skarn altered limestone and ferruginous sediment proximal to the multi-phase granitic stock. Sulphides including chalcopyrite, bornite and pyrite were noted in concentrations ranging up to 10% (total sulphide %) within the mineralised zones.

The mineralisation remains open in all directions.

Western Desert Project

Following a technical review the project was relinquished in the prior financial period.

Significant Changes in the State of Affairs

There were no significant changes in the Company's state of affairs during the financial period.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

DIABLO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
DIRECTOR'S REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included within this financial report.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'P Lloyd', written in a cursive style.

Paul Lloyd
Director
7 March 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Diablo Resources Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
7 March 2024



M R Ohm
Partner

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DIABLO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023 \$	31 December 2022 \$
Interest income		17,404	7,646
Corporate expenses		(271,617)	(291,749)
Impairment expenses	4	-	(3,676,876)
Exploration expensed		(2,346)	-
Foreign exchange loss		(28,647)	(9,418)
Loss before tax		(285,206)	(3,970,397)
Income tax expense		-	-
Loss for the period		(285,206)	(3,970,397)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign controlled entities, net of tax		(109,503)	43,460
Total comprehensive loss for the period attributable to the members		(394,709)	(3,926,937)
Basic and diluted loss per share (cents per share)	2	(0.34) cents	(5.33) cents

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

DIABLO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Consolidated 31 December 2023 \$	30 June 2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	913,210	2,523,390
Security deposits		229,946	236,908
Other assets		24,641	247,445
Prepayments		41,400	24,641
TOTAL CURRENT ASSETS		<u>1,209,197</u>	<u>3,032,384</u>
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	4	9,001,831	7,004,260
TOTAL NON-CURRENT ASSETS		<u>9,001,831</u>	<u>7,004,260</u>
TOTAL ASSETS		<u>10,211,028</u>	<u>10,036,644</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		141,611	530,989
TOTAL CURRENT LIABILITIES		<u>141,611</u>	<u>530,989</u>
TOTAL LIABILITIES		<u>141,611</u>	<u>530,989</u>
NET ASSETS		<u>10,069,417</u>	<u>9,505,655</u>
EQUITY			
Issued capital	5	15,235,552	14,277,081
Reserves	6	174,472	283,975
Accumulated losses		(5,340,607)	(5,055,401)
TOTAL EQUITY		<u>10,069,417</u>	<u>9,505,655</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

DIABLO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2023	14,277,081	283,975	(5,055,401)	9,505,655
Loss for the period	-	-	(285,206)	(285,206)
Other comprehensive income	-	(109,503)	-	(109,503)
Total comprehensive loss for the period	-	(109,503)	(285,206)	(394,709)
<i>Equity transactions</i>				
Issue of fully paid ordinary shares	1,000,000	-	-	1,000,000
Capital raising costs	(41,529)	-	-	(41,529)
Balance at 31 December 2023	15,235,552	174,472	(5,340,607)	10,069,417
Balance at 1 July 2022	14,277,081	221,247	(904,514)	13,593,814
Loss for the period	-	-	(3,970,397)	(3,970,397)
Other comprehensive income	-	43,460	-	43,460
Total comprehensive loss for the period	-	43,460	(3,970,397)	(3,926,937)
Balance at 31 December 2022	14,277,081	264,707	(4,874,911)	9,666,877

The above statement of change in equity should be read in conjunction with the accompanying notes.

DIABLO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	31 December 2023	31 December 2022
	\$	\$
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	17,404	7,646
Payments to suppliers and employees	(234,420)	(293,914)
Net cash used in operating activities	<u>(217,016)</u>	<u>(286,268)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of security deposit	-	(58,265)
Payments for exploration and evaluation expenditure	(2,351,635)	(682,331)
Net cash used in investing activities	<u>(2,351,635)</u>	<u>(740,596)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,000,000	-
Payments for share issue costs	(41,529)	-
Net cash provided by financing activities	<u>958,471</u>	<u>-</u>
Net decrease in cash held	(1,610,180)	(1,026,864)
Cash and cash equivalents at beginning of period	2,523,390	4,084,018
Cash and cash equivalents at end of period	3 <u>913,210</u>	<u>3,057,154</u>

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

DIABLO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The interim consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial report and notes also comply with International Financial Reporting Standards IAS 34: Interim Financial Reporting.

It is recommended that this consolidated interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Diablo Resources Limited and its controlled entities (the "Group") during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The interim consolidated financial report does not include full disclosures of the type normally included in annual financial reports.

The interim consolidated financial report has been prepared on an accruals basis and is based on historical cost. Cost is based on the fair value of the consideration given in exchange for assets.

Both the functional and presentation currency of the Company is Australian dollars.

The interim financial statements were authorised for issue on 7 March 2024.

Going concern

The consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

To meet the capital and operating expenditure budgets for the next twelve month the Directors intend to raise further capital for the Group. The directors believe that there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable given its past history of successfully raising new equity and current market capitalisation of the Company.

Should the Company be unable to raise the required capital to fund the next 12 months planned capital and operating expenditure, there is a material uncertainty on its ability to continue as a going concern and it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

(c) New accounting standards and interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Standards and Interpretations applicable to 31 December 2023

In the period ended 31 December 2023, the Directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the reporting period ended 31 December 2023. The Directors have not early adopted any of these new or amended standards or interpretations. The Directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Company) and interpretations.

DIABLO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

2. LOSS PER SHARE

The following reflects the income and data used in the calculations of basic and diluted earnings/(loss) per share:

	31 December 2023	31 December 2022
Loss per share (cents)	(0.34)	(5.33)
Loss used in calculating basic and diluted loss per share	(285,206)	(3,970,397)
	# shares	# shares
Weighted average number of ordinary shares used in calculating basic loss per share:	84,977,753	74,500,001

3. CASH AND CASH EQUIVALENTS

	31 December 2023 \$	30 June 2023 \$
Cash at bank and on hand	913,210	2,523,390

4. EXPLORATION AND EVALUATION EXPENDITURE

	6 months to 31 December 2023 \$	12 months to 30 June 2023 \$
Balance at the beginning of the period	7,004,260	9,400,796
Exploration and evaluation expenditure incurred during the period	2,094,661	1,245,586
Impairment of exploration (i)	-	(3,685,293)
Foreign exchange movement	(97,090)	43,171
Balance at the end of the period	9,001,831	7,004,260

- (i) As exploration results to date have not been sufficiently positive to warrant further work on the Western Desert Project, the Company impaired the carrying value of \$3,685,293 in the financial year ended 30 June 2023 and subsequent expenditure is expensed as incurred.

The value of the exploration tenements carried forward is dependent upon:

- (a) The continuance of the Consolidated Entity's rights to tenure of the area of interest;
- (b) The results of future exploration; and
- (c) The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

5. ISSUED CAPITAL

(a) Issued Capital

	31 December 2023 \$	30 June 2023 \$
Fully paid ordinary shares	15,900,001	14,900,001
Less: capital raising costs	(664,449)	(622,920)
	15,235,552	14,277,081

DIABLO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

(b) Movement in ordinary share capital of the Company:

Date	Details	No. of Shares	Issue Price	\$
01/07/2022	Opening balance	74,500,001		14,900,001
30/06/2023	Closing balance	74,500,001		14,900,001
26/09/2023	Placement – T1	11,142,857	\$0.035	390,000
14/11/2023	Placement – T2	17,428,571	\$0.035	610,000
31/12/2023	Closing balance	103,071,429		15,900,001

6. RESERVES

Foreign currency translation and share based payments reserve

	31 December 2023	30 June 2023
	\$	\$
Foreign currency translation reserve	(6,309)	103,194
Share based payments reserve	180,781	180,781

7. SHARE-BASED PAYMENTS

There have been no new share-based payment arrangements in the half-year ended 31 December 2023.

8. CONTINGENT LIABILITIES, LEASE COMMITMENTS AND CONTINGENT ASSETS

As at 31 December 2023 there were no contingent liabilities, lease commitments or contingent assets.

9. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consistent mainly of deposits with banks, and accounts receivable and payables.

The carrying amounts of the current receivables, current payables and other liabilities are considered to be a reasonable approximation of their fair value.

10. SEGMENT NOTE

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separate identifiable business segments.

The operations and assets of Diablo Resources Limited and its controlled entities are employed in exploration activities relating to minerals in United States of America.

11. CONTROLLED ENTITIES

	Percentage Interest	Percentage Interest	Country of incorporation
Parent entity	31 December 2023	30 June 2023	
Diablo Resources Limited			Australia
Particulars in relation to controlled entities			
HWK Idaho Pty Ltd	100%	100%	Australia
Ounces High Exploration Inc	100%	100%	United States
HWK Utah Pty Ltd	100%	100%	Australia
Roughhead Exploration Inc	100%	100%	United States
HWK Nevada Pty Ltd	100%	100%	Australia
Hawkstone Nevada Inc	100%	100%	United States

DIABLO RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

12. EVENTS AFTER THE REPORTING PERIOD

There have been no events subsequent to the financial period end that will affect the results as disclosed in this report.

DIABLO RESOURCES LIMITED

DIRECTORS' DECLARATION

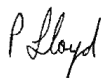
In accordance with a resolution of the directors of Diablo Resources Limited, the directors of the Company declare that:

1. In the opinion of the directors:

- (a) the interim financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial positions as at 31 December 2023 and of their performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements;
- (b) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the Corporations Act 2001 for the half-year ended 31 December 2023.

On behalf of the Board



Paul Lloyd

Director

7 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Diablo Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Diablo Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Diablo Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
7 March 2024



M R Ohm
Partner