



**DIABLO RESOURCES  
LIMITED  
and its controlled entities**

**ACN: 649 177 677**

**Financial Report For The Year Ended  
30 June 2022**

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## CORPORATE DIRECTORY

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY

Shaun Menezes

### REGISTERED OFFICE AND PRINCIPAL BUSINESS OFFICE

Level 2, 10 Outram Street  
West Perth WA 6005

Telephone: (+61 8) 6383 7837

### SHARE REGISTRY

Automic Registry Services  
Level 2  
267 St Georges Terrace  
Perth WA 6000

Investor Enquiries: 1300 288 664

### AUDITOR

HLB Mann Judd (WA Partnership)  
Level 4  
130 Stirling Street  
Perth WA 6000

### SECURITIES EXCHANGE

ASX Limited (Australian Securities Exchange)  
ASX Code: DBO

# DIABLO RESOURCES LIMITED

ACN: 649 177 677

<b>CONTENTS</b>	<b>Page</b>
Directors' Report	2
Auditor's Independence Declaration	13
Consolidated Statement of Profit or Loss and Other Comprehensive Income	14
Consolidated Statement of Financial Position	15
Consolidated Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Financial Statements	18
Directors' Declaration	31
Independent Auditor's Report	32
ASX Additional Information	36
Corporate Governance Statement	38

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

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Your directors present their report together with the financial statements on the consolidated entity, Diablo Resources Limited (the "Company") and its controlled entities (the "Group") for the year ended 30 June 2022.

**Directors'**

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

*Mr Paul Lloyd (Non-Executive Chairman) BBus, CA*

Paul Lloyd is a Chartered Accountant with over 30 years' commercial experience. Mr Lloyd operates his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. After commencing his career with an international accounting firm, he was employed for approximately 10 years as the General Manager of Finance for a Western Australian based international drilling contractor working extensively in Asia and Africa. Paul has been responsible for a number of IPOs, reverse takeovers, project acquisitions and capital raisings for ASX listed public companies.

Other current directorships: Arizona Lithium Limited, BPM Minerals Limited (October 2020) and Lord Resources Limited (February 2021).

Former directorships (last 3 years): None

*Mr Barnaby Egerton-Warburton (Non-Executive Director) BEcon*

Barnaby Egerton-Warburton is an experienced investment banker and corporate advisor who has held managing director and non-executive director positions in the investment banking, technology, oil and gas and resource sectors.

Other current directorships: Arizona Lithium Limited, Lord Resources Limited (March 2015), Southern Cross Payments Limited (April 2015), NSX Limited (April 2022), Locality Planning Energy Holdings Limited (March 2020), and Pantera Minerals Limited (December 2020).

Former directorships (last 3 years): Invictus Energy Limited

*Mr Greg Smith (Non-Executive Director) BSc Geology, Dalhousie University, Canada*

Greg Smith commenced his career in 1975 and has worked over a wide cross section of minerals and countries including in North America, Australia, Asia, and throughout Africa. Mr Smith was the exploration manager for Moto Gold Mines Ltd, responsible for the discovery of 22.5 million ounces of gold in the Democratic Republic of Congo (Kibali Mine). As exploration manager with Hawkstone Mining Ltd, he led the drill out of the Big Sandy Lithium Deposit in Arizona, USA. He is a Member of the Australasian Institute of Mining and Metallurgy.

Other current directorships: BPM Minerals Limited (September 2020)

Former directorships (last 3 years): Arizona Lithium Limited

**Company Secretary**

*Mr Shaun Menezes BCom, LLB*

Mr Menezes is an accounting and finance professional with over 20 years experience. He has worked in the capacity of Company Secretary and Chief Financial Officer of a number of ASX and SGX listed companies, held a senior management role within an ASX 200 listed company and was an executive director at a leading international accounting firm. He is a member of the Governance Institute of Australia and the Chartered Accountants Australia and New Zealand.

**Directors Meetings**

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2022 attended by each director:

	<b>Number Eligible to Attend</b>	<b>Number Attended</b>
Paul Lloyd	3	3
Barnaby Egerton-Warburton	3	3
Greg Smith	3	3

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

**Principal Activities**

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

**Review of Operations**

The consolidated loss of the Group for the financial year after providing for income tax amounted to \$806,272 (2021: \$98,242).

Following successfully listing on the ASX in October 2021, Diablo commenced exploration activities at its three USA Projects, located within some of the most prospective gold and base-metal regions globally (Figure 1).



Figure 1- Project Location Map

**Western Desert Project**

The project is considered prospective for Carlin-style gold mineralisation and skarn style gold-copper-silver in Palaeozoic carbonate and sedimentary rocks. Three targets were drilled at the Western Desert Copper-Gold Project; Copper blossom, A3 and A6. A total of 5 diamond drill holes (HQ<sub>3</sub>, WDD001-005) were completed for 1084.8m.

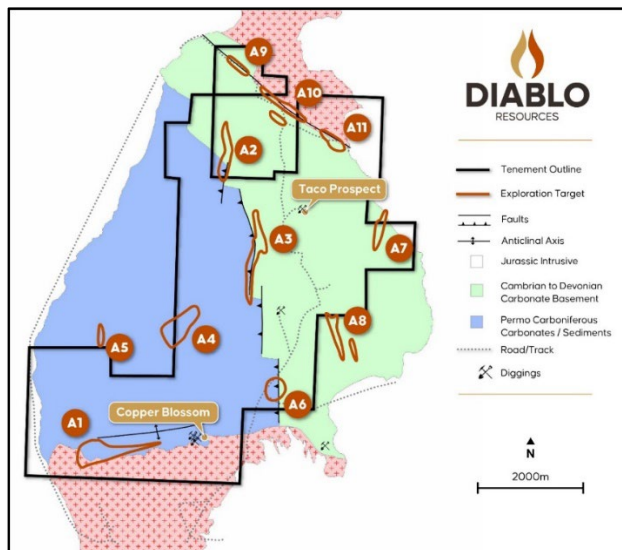


Figure 2 - Western Desert Project- Geology and Prospect Location Map

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**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

*A3 Prospect*

The A3 Prospect is located within the central portion of the project area, over some 1,500m that correspond to the interpreted unconformity/regional structure between Cambro-Ordovician and Permo-Carb sediments, and associated with discrete gravity lows and anomalous geochemistry.

Two holes (WD004-005) were completed some 500m apart in the southern section of the A3 target, designed to test geochemical anomalism and geophysical features associated with the thrustured unconformity. The holes intersected altered and brecciated lithic sandstones, shales, and carbonates. Interestingly, several lamprophyric sills/dykes were encountered suggesting the presence of deep, regional scale structures. Encouraging results were received from both WD004 and WD005 (see Table 1) including 228m @ 0.87 g/t Ag from 2m down hole in WD005.

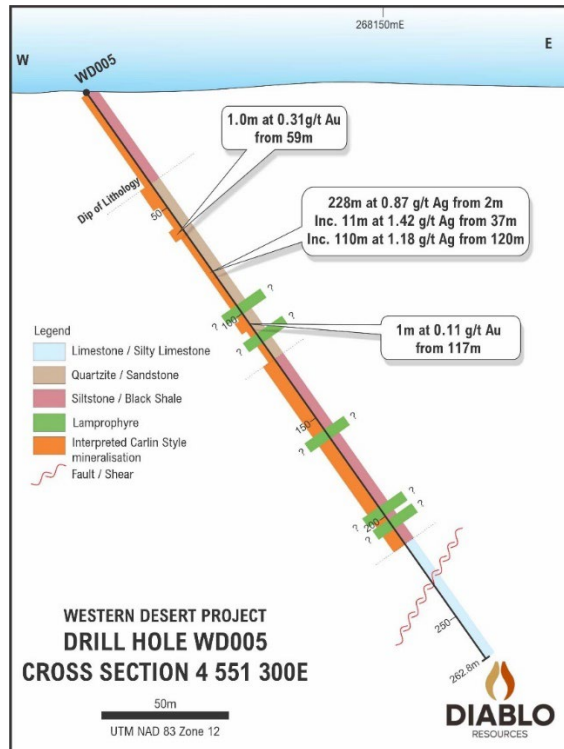


Figure 3- WD005- Schematic Cross Section

*Copper Blossom Prospect*

Two holes, WD001 and 002 were completed at Copper Blossom, targeting outcropping gold-copper-silver mineralisation over +350m of strike as defined by historical workings in altered carbonates and sediments, close to an intrusive contact.

The drilling intersected variably altered and oxidised skarnified limestones/sediments proximal to granitic contacts with a peak result of 1.5m @ 0.17 g/t Au and 637 ppm Cu from 55.5m returned from WD001, in the projected down dip position of the old workings. The skarn style geochemical signature is characterised by elevated Co, Bi, Be, Mn, Ag, W, As and Ce and is now considered to be possibly an earlier mineralising event within the project area. Deeper in the holes, closer to the postulated structural-unconformity target zone associated with an SE dipping antiformal limb, a package of oxidised, silicified, brecciated, veined and possibly de-calcified carbonates, graphitic siltstone/shale, conglomerates and fault breccias returned anomalous Ag over broad intervals with elevated associated elements including As, Sb, Ba, Mo, Tl and Te.

This deeper mineralisation intersected (Table 1) in holes WD001 and 002 share geochemical signatures with Carlin style mineralisation, and differ to that observed in the old workings and surface scrapings.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

A summary of results is included below in Table 1.

Table 1- Assay Results- Western Desert Project

Hole	From	To	Results
WD001	55.5	57	1.5m @ 0.17 g/t Au, 637 ppm Cu
	173	196	23m @ 0.47 g/t Ag
	217	286.7	69.3m @ 0.45 g/t Ag EOH
WD002	46.5	71.5	25m @ 0.23 g/t Ag
	120	142	22m @ 0.30 g/t Ag
	118	145	27m @ 0.27 g/t Ag
	162	234.4	72.4m @ 0.32 g/t Ag EOH
WD004	81	87	6m @ 1.58 g/t Ag, 200 ppm As (lamprophyre dyke)
WD005	2	230	228m @ 0.87 g/t Ag
Inc.	37	48	11m @ 1.42 g/t Ag
Inc.	59	60	1m @ 0.31 g/t Au
Inc.	117	118	1m @ 0.11 g.t Au
Inc.	120	230	110m @ 1.18 g/t Ag
Inc.	177.2	180	0.8m @ 0.2 g/t Au

- Results calculated as weighted average grades, > 0.1 g/t Au, >0.1 g/t Ag and >250ppm Cu, Maximum of two metres continuous internal dilution, EOH = End of Hole

The Company is encouraged by the drilling at Western Desert Project, and further work aimed at understanding the down hole geochemical association has commenced.

**Lone Pine Gold Project**

The Lone Pine Project is highly prospective for gold mineralisation and comprises two Patented Mining Claims and a further 268 mineral claims covering an area of approximately 21.85 km<sup>2</sup>. The project contains precious metal occurrences spatially related to the Eocene age Trans-Challis Fault System, a major zone of rifting and crustal extension. An airborne drone magnetic survey totalling 196 line/km was flown using a Matrice 600 Pro hexa-copter with lines on EW traverses at an average flight height of 75m (Fig. 4).

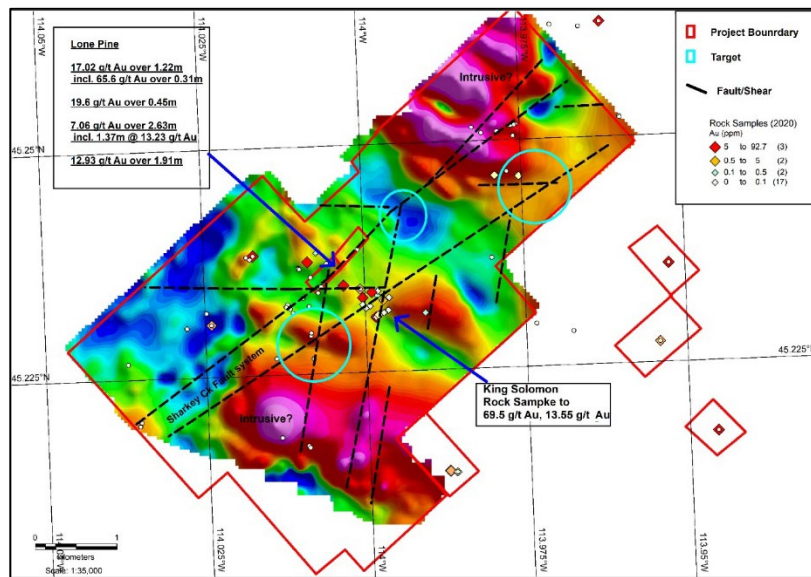


Figure 4 - Lone Pine Gold Project- Location of airborne magnetic survey and previous drilling and rock sampling results

The survey outlined several target areas and follow-up exploration is planned, including initial surface geochemical soil sampling.

**Devil's Canyon Gold-Copper Project**

The Devil's Canyon Project, prospective for gold and copper, is located approximately 50 km north of Eureka and 100 km south of Elko, Nevada, USA. The project consists of 90 mineral claims covering 6.56 km<sup>2</sup> lying within the Carlin Trend in Nevada that has produced in excess of 195 million ounces of gold.

A maiden drill program at the Project was planned and submitted to the BLM. Approval is awaited.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

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### Significant Changes in the State of Affairs

On 20 September 2021, the Company issued 7,400,000 performance rights to directors with various performance hurdles to be achieved before they vest.

On 6 October 2021, the Company issued the following securities:

- 32,500,000 fully paid ordinary shares at an issue price of \$0.20 per share raising \$6.5 million (before costs);
- 2,000,000 fully paid ordinary shares at an issue price of \$0.20 per share to the Lead Manager and its nominees as part of the cost of the IPO;
- 40,000,000 fully paid ordinary shares at an issue price of \$0.20 per share to Arizona Lithium;

On 6 October 2021, the Company completed the acquisition of HWK Idaho Pty Ltd, HWK Nevada Pty Ltd and HWK Utah Pty Ltd from Arizona Lithium.

On 12 October 2021, the Company was admitted to the Official List of the ASX.

Other than stated above, no significant changes in the Group's state of affairs occurred during the year.

### Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

### Environmental Regulation

The Group is subject to environmental regulations under the laws of the countries in which it undertakes exploration activities and ensures that it complies with all applicable regulations when carrying out exploration works.

### Dividends

No dividends were paid or declared since the start of the financial year.

### Options and Performance Rights

The Company has the following options and performance rights on issue as at the date of the Directors' Report.

Security Description	Number of Securities
Options exercisable @ \$0.25 expiring 10 February 2026	2,550,000
Performance Rights – Class A expiring 29 September 2026	4,900,000
Performance Rights – Class B expiring 29 September 2026	1,250,000
Performance Rights – Class C expiring 29 September 2026	1,250,000

### Unissued shares

As at the date of this report, there were 2,550,000 unissued ordinary shares under options.

Option holders do not have any right, by virtue of the options, to participate in any share issue of the Company or any related body corporate.

No shares were issued during or since the end of the year as a result of the exercise of an option or performance right over unissued shares or interests.

### Directors' Interests in Shares and Options of the Company

As at the date of this report, the directors' interest in shares and options of the Company were:

	Number of Ordinary Shares	Performance Rights
Paul Lloyd	917,099	3,000,000
Barnaby Egerton-Warburton	314,430	2,100,000
Greg Smith	553,528	2,300,000

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

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**Corporate Governance**

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Company support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. The Company's corporate governance statement is contained in the annual report.

**Indemnification of Officers**

The Company has, during or since the end of the year, in respect of any person who is or has been an officer of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Premiums paid are not disclosed because disclosure is prohibited by the insurance contract.

**Indemnification of Auditors**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Proceedings on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

**Non-Audit Services**

The aggregate amount of fees paid or payable to HLB Mann Judd (WA Partnership) during the year ended 30 June 2022 in relation to non-audit services were as follows:

	\$
Independent Limited Assurance Report	10,100

The Board of Directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed do not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

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**REMUNERATION REPORT (AUDITED)**

The remuneration report outlines the remuneration arrangements for the Key Management Personnel ("KMP") of the Group, being the Company's Board members, and is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Remuneration committee and board charter
3. Details of remuneration

**Principles Used to Determine the Nature and Amount of Remuneration**

In determining competitive remuneration rates, the Board seeks independent advice as required on local and international trends among comparative companies and industry generally. Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board recognises that the Company operates in a global environment. To prosper in this environment it must attract, motivate and retain key executive staff.

The principles supporting the remuneration policy are as follows:

- reward reflects the competitive global market in which the Company operates;
- rewards to executives are linked to creating value for shareholders;
- remuneration arrangements are equitable and facilitate the development of senior management across the Company;
- where appropriate, senior managers receive a component of their remuneration in equity to align their interests with those of the shareholders; and
- long term incentives are used to ensure that remuneration of KMP reflects the Group's financial performance, with particular emphasis on the Group's earnings and the consequence of the Group's performance on shareholder wealth.

Fees and payments to directors reflect the demands which are made on, and the responsibilities of, the directors. Directors' fees and payments are reviewed annually by the Board. The Board also ensures that directors' fees and payments are appropriate and in line with the market.

There are no retirement allowances or other benefits paid to directors.

**Remuneration Committee and Board Charter**

The Charter of the Remuneration Committee extends the duties to that of a Nominations Committee. The Board considers that given the Company's current position in respect of the composition of the Board and the size of the Company, the Company is not in a position to justify the establishment of a Remuneration Committee and the full Board performs the duties of this committee, with members abstaining from discussions and decisions as appropriate.

The Remuneration Committee is responsible for making recommendations on remuneration policies and packages applicable to Board members and for approval of remuneration for executive officers of the Company taking into account the financial position of the Company. The broad remuneration policy per the formal Charter is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

It is the Remuneration Committee's policy to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities though taking into account the financial position of the Company and the Company's shareholder-approved limits. The Constitution of the Company specifies that the aggregate remuneration of directors, other than salaries paid to executive directors, shall be determined from time to time by a general meeting. The total aggregate remuneration currently stated in the Constitution is \$300,000 per year. An amount not exceeding the amount determined is divided between those directors as they agree.

The Board as a whole determines the amount of the fees paid to each non-executive director. All Directors may be allocated options to acquire shares in the Company under the Director and Employee Share Option Plan approved by shareholders from time to time.

The Board approves remuneration packages for executive officers based on performance criteria and the Group's financial performance. Other employee remuneration packages are determined and approved by the Board based on salary market rate indicators, press advertisements, performance criteria and against the Group's financial state of affairs.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

**Performance-based remuneration**

The Company currently has performance rights on issue to Directors on terms as set out elsewhere in this report.

**Details of Remuneration – Service Agreements**

Director	Position held as at 30 June 2022	Contract details (duration & termination)
Paul Lloyd	Non-Executive Chairman	Letter of appointment / In accordance with Constitution No termination benefits payable
Barnaby Egerton-Warburton	Non-Executive Director	Letter of appointment / In accordance with Constitution No termination benefits payable
Greg Smith	Non-Executive Director	Letter of appointment / In accordance with Constitution No termination benefits payable
Lyle Thorne	Chief Executive Officer	Consultancy Services Agreement Commencement Date: 12 October 2021 Term: 36 months Fixed Remuneration: \$180,000 per annum Long-term incentive options: 1,500,000 options exercisable at \$0.25 each expiring 10 February 2026

**Remuneration Details for the Year Ended 30 June 2022**

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the KMP of the Group. The aggregate remuneration of non-executive directors was less than the approved aggregate remuneration of \$300,000 per year.

**Table of Benefits and Payments for the Year Ended 30 June 2022**

		Short-term Benefits Cash salary and fees \$	Post Employment Benefits Super-annuation \$	Consulting fees \$	Share based payment Options/ Rights \$	Total \$	Proportion of remuneration performance related %
Paul Lloyd	2022	43,192	-	-	-	43,192	-
	2021	-	-	-	-	-	-
B Egerton-Warburton	2022	28,889	-	-	-	28,889	-
	2021	-	-	-	-	-	-
G Smith	2022	28,889	-	-	-	28,889	-
	2021	-	-	-	-	-	-
L Thorne	2022	135,000	-	-	106,342	241,342	44
	2021	-	-	-	-	-	-
<b>Total</b>	<b>2022</b>	<b>235,970</b>	<b>-</b>	<b>-</b>	<b>106,342</b>	<b>342,312</b>	<b>31</b>
	2021	-	-	-	-	-	-

**KMP Shareholdings**

The number of ordinary shares in Diablo Resources Limited held by each KMP of the Company, as disclosed to the ASX, during the financial year is as follows:

30 June 2022	Balance at beginning of year or appointment	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year or resignation
P Lloyd	-	-	-	917,099	917,099
B Egerton-Warburton	-	-	-	314,430	314,430
G Smith	-	-	-	553,528	553,528
L Thorne	-	-	-	183,536	183,536

There were no shares held by KMP's during the year ended 30 June 2021.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

**KMP Option Holdings**

The number of share options in Diablo Resources Limited held by each KMP of the Company, as disclosed to the ASX, during the financial year is as follows:

30 June 2022	Balance at beginning of year or appointment	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year or resignation
P Lloyd	-	-	-	-	-
B Egerton-Warburton	-	-	-	-	-
G Smith	-	-	-	-	-
L Thorne	-	1,500,000	-	-	1,500,000

There were no options held by KMP's during the year ended 30 June 2021.

**KMP Performance Rights Holdings**

The number of performance rights in the Company held by each KMP of the Company, as disclosed to the ASX, during the financial year is as follows:

30 June 2022	Balance at beginning of year or appointment	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year or resignation
P Lloyd	-	3,000,000	-	-	3,000,000
B Egerton-Warburton	-	2,100,000	-	-	2,100,000
G Smith	-	2,300,000	-	-	2,300,000
L Thorne	-	-	-	-	-

There were no performance rights issued in 2021. No value is recorded as a vesting expense as there is not yet sufficient evidence to consider vesting will be probable.

**Cash Bonuses, Performance-Related Bonuses and Share-Based Payments**

There were no cash bonuses, or other short term performance related bonuses, made to any KMP in the financial years ended 30 June 2022 or 30 June 2021.

Details of options over ordinary shares in the Company provided as remuneration to KMP during 2022 as disclosed above are set out below. When exercised, each option is convertible into one ordinary share of Diablo Resources Limited. No options issued to current or previous KMP expired or lapsed during the year.

KMP	Grant date	Number granted	Exercise price (\$)	Value per option (\$)	Value of options granted (\$)	Issue date	Expiry date
L Thorne	10/02/2022	1,500,000	\$0.25	\$0.071	\$106,342	10/02/2022	10/02/2026
<b>Total</b>		<b>1,500,000</b>			<b>\$106,342</b>		

There were no options over ordinary shares provided as remuneration to any KMP in the period ended 30 June 2021.

Details of performance rights in the Company provided as remuneration to KMP during 2022 as disclosed above are set out below. When exercised, each performance right is convertible into one ordinary share of Diablo Resources Limited. No performance rights issued to directors during 2022 vested during the year. No options issued to current or previous KMP expired or lapsed during the year.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

KMP							
	Grant date	Class	Number granted	Value per right (\$)	Value of rights granted (\$)	Issue date	Expiry date
P Lloyd	29/09/2021	A	2,000,000	-	-	29/09/2021	20/09/2026
P Lloyd	29/09/2021	B	500,000	-	-	29/09/2021	20/09/2026
P Lloyd	29/09/2021	C	500,000	-	-	29/09/2021	20/09/2026
B Egerton-Warburton	29/09/2021	A	1,400,000	-	-	29/09/2021	20/09/2026
B Egerton-Warburton	29/09/2021	B	350,000	-	-	29/09/2021	20/09/2026
B Egerton-Warburton	29/09/2021	C	350,000	-	-	29/09/2021	20/09/2026
G Smith	29/09/2021	A	1,500,000	-	-	29/09/2021	20/09/2026
G Smith	29/09/2021	B	400,000	-	-	29/09/2021	20/09/2026
G Smith	29/09/2021	C	400,000	-	-	29/09/2021	20/09/2026
<b>Total</b>			<b>7,400,000</b>	<b>-</b>	<b>-</b>		

There were no performance rights provided as remuneration to any KMP in the period ended 30 June 2021.

The Performance Rights are subject to the following Milestones:

Class	Milestone
Class A	The Company achieving a JORC compliant inferred mineral resource estimate of 100,000 ounce gold, copper, silver and or platinum group elements, with a cut off grade of 0.5g/t, within five years from the date of issue of the Performance Rights.
Class B	The Company achieving a JORC compliant inferred mineral resource estimate of 250,000 ounce gold, copper, silver and or platinum group elements, with a cut off grade of 0.5g/t, within five years from the date of issue of the Performance Rights.
Class C	The Company achieving a JORC compliant inferred mineral resource estimate of 500,000 ounce gold, copper, silver and or platinum group elements, with a cut off grade of 0.5g/t, within five years from the date of issue of the Performance Rights.

Details of all options held by KMP, at the date of this report, are shown below.

KMP	Grant date	Number granted	Value of options granted (\$)	Issue date	Expiry date	Vested (%)
L Thorne	10/02/2022	1,500,000	\$106,342	10/02/2022	10/02/2026	100

Details of all performance rights held by KMP, at the date of this report, are shown below.

KMP	Grant date	Number granted	Value of rights granted (\$)	Issue date	Expiry date	Vested (%)
P Lloyd	29/09/2021	3,000,000	-	29/09/2021	20/09/2026	-
B Egerton-Warburton	29/09/2021	2,100,000	-	29/09/2021	20/09/2026	-
G Smith	29/09/2021	2,300,000	-	29/09/2021	20/09/2026	-

[END OF AUDITED REMUNERATION REPORT]

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
DIRECTORS' REPORT**

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Signed in accordance with a resolution of the Directors.

On behalf of the Directors



Paul Lloyd  
Director  
26 July 2022

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of Diablo Resources Limited for the year ended 30 June 2022, 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
26 July 2022



**M R Ohm**  
**Partner**

**h**l**b.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Consolidated 2022 \$	Company 2021 \$ (01/04/2021 – 30/06/2021)
Other income		793	-
<b>Expenses</b>			
Corporate expenses		(392,952)	(98,242)
Listing expenses		(238,424)	-
Foreign currency gain/(loss)		5,092	-
Share-based payments	10	(180,781)	-
<b>Loss before tax</b>		<b>(806,272)</b>	<b>(98,242)</b>
Income tax expense	3	-	-
<b>Loss for the period</b>		<b>(806,272)</b>	<b>(98,242)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	9	40,466	-
<b>Total comprehensive loss for the period attributable to the members</b>		<b>(765,806)</b>	<b>(98,242)</b>
Loss per share attributable to the shareholders of the Company arises from:			
Basic and diluted loss per share (cents per share)	2	(1.51)	(9,824,200)

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

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**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	Note	Consolidated 2022 \$	Company 2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	4,084,018	1
Security deposits		156,700	
Prepayments		16,684	
<b>TOTAL CURRENT ASSETS</b>		<u>4,257,402</u>	<u>1</u>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	5	9,400,796	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>9,400,796</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>13,658,198</u>	<u>1</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	64,384	79,199
Borrowings	7	-	19,043
<b>TOTAL CURRENT LIABILITIES</b>		<u>64,384</u>	<u>98,242</u>
<b>TOTAL LIABILITIES</b>		<u>64,384</u>	<u>98,242</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>13,593,814</u>	<u>(98,241)</u>
<b>EQUITY</b>			
Issued capital	8	14,277,081	1
Reserves	9	221,247	-
Accumulated losses		(904,514)	(98,242)
<b>TOTAL EQUITY/(DEFICIT)</b>		<u>13,593,814</u>	<u>(98,241)</u>

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

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**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Issued Capital \$</b>	<b>Reserves \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Consolidated</b>				
Balance at 1 July 2021	1	-	(98,242)	(98,241)
Loss for the period	-	-	(806,272)	(806,272)
Other comprehensive income	-	40,466	-	40,466
Total comprehensive loss for the period	-	40,466	(806,272)	(765,806)
<i>Equity transactions:</i>				
Issue of fully paid ordinary shares	14,900,000	-	-	14,900,000
Capital raising costs	(622,920)	-	-	(622,920)
Share-based payments	-	180,781	-	180,781
<b>Balance at 30 June 2022</b>	<b>14,277,081</b>	<b>221,247</b>	<b>(904,514)</b>	<b>13,593,814</b>

	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Company</b>			
Balance at 1 April 2021	1	-	1
Loss for the period	-	(98,242)	(98,242)
Total comprehensive loss for the period	-	(98,242)	(98,242)
<b>Balance at 30 June 2021</b>	<b>1</b>	<b>(98,242)</b>	<b>(98,241)</b>

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

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

		Consolidated 30 June 2022	Company 30 June 2021 (01/04/2021 – 30/06/2021)
	Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		793	-
Payments to suppliers and employees		(343,235)	-
Net cash used in operating activities	4	<u>(342,442)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment of security deposit		(144,028)	-
Payments for exploration and evaluation expenditure	5	(1,434,449)	-
Net cash used in investing activities		<u>(1,578,477)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		6,500,000	1
Payments for share issue costs		(247,276)	-
Repayment of borrowings	7	(247,788)	-
Net cash provided by financing activities		<u>6,004,936</u>	<u>1</u>
Net increase in cash held		4,084,017	1
Cash and cash equivalents at beginning of period		1	-
<b>Cash and cash equivalents at end of period</b>	4	<u>4,084,018</u>	<u>1</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 FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**1. CORPORATE INFORMATION**

Diablo Resources Limited is a public company incorporated on 1 April 2021 and domiciled in Australia.

These consolidated financial statements and notes represent Diablo Resources Limited and its controlled entities (together 'Consolidated Group', 'Group').

The Company is principally engaged in the business of mineral exploration. The registered office and principal place of business of the Company is Level 2,10 Outram Street, West Perth, WA 6005.

The consolidated financial statements of the Group for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors on 26 July 2022. The comparatives are for the period since registration, being 1 April 2021, to 30 June 2021.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption. Accounting policies have been consistently applied unless otherwise stated.

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

**(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 Company has adopted all new accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning 1 July 2021. The adoption of these new and revised standards and interpretations did not have any effect on the financial position or performance of the Group.

*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 Group for the reporting year ended 30 June 2022. 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 Group) and interpretations.

**(d) Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Diablo Resources Limited at the end of the reporting period. A controlled entity is any entity over which Diablo Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the group during the period, the financial performance of those entities are included only for the period that they were controlled. Details of controlled entities are contained in Note 11.

In preparing the consolidated financial statements, all intra-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

**(e) Revenue recognition**

*Interest*

Revenue is recognised as interest accrues using effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

**(f) Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Cash and cash equivalents (continued)**

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**(g) Income tax**

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**(h) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(i) Exploration and evaluation expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Exploration and evaluation expenditure (continued)**

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

**(j) Trade and other payables**

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured and are usually paid within 30 days of recognition.

**(k) Loans and borrowings**

All loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised.

**(l) Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(m) Share based payments**

Equity settled share-based compensation benefits are provided to employees (directors) and consultants. The costs of equity-settled transactions are measured at fair value on grant date. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Upon the exercise of options, the balance of the share-based payments reserve relating to these options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

**(n) Foreign Currency Transactions and Balances**

*Functional and presentation currency*

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. All figures presented in the financial report have been rounded to the nearest dollar.

*Transaction and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(n) Foreign Currency Transactions and Balances (continued)**

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

*Controlled entities*

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Accumulated losses are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed. The functional currency of the subsidiaries incorporated in the United States of America (refer Note 11) is the US Dollar (USD).

**(o) Earnings/(Loss) per share**

**(i) Basic Earnings/(Loss) per share**

Basic earnings/(loss) per share is determined by dividing the profit/(loss) after income tax attributable to members of Diablo Resources Limited by the weighted average number of ordinary shares outstanding during the financial year.

**(ii) Diluted Earnings/(Loss) per share**

Diluted earnings/(loss) per share adjusts the amounts used in the determination of basic earnings/(loss) per share by taking into account unpaid amounts on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

**(p) Asset acquisition**

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair value at the acquisition date.

**(q) Critical accounting judgements and estimates**

The preparation of financial statements requires the use of certain critical accounting judgements and estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Other than below, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

*Key estimate: Share-based payments*

The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and condition of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(q) Critical accounting judgements and estimates (continued)**

*Key judgement: Capitalised Exploration Expenditure*

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to mining assets.

**2. LOSS PER SHARE**

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

	<b>Consolidated 2022</b>	<b>Company 2021</b>
Loss per share (cents)	(1.51)	(9,824,200)
Loss used in calculating basic and diluted loss per share	(\$806,272)	(\$98,242)
	<b># shares</b>	<b># shares</b>
Weighted average number of ordinary shares used in calculating basic loss per share:	53,232,878	1

**3. INCOME TAX EXPENSE**

The prima facie tax on loss before income tax is reconciled to the income tax as follows:

	<b>Consolidated 2022</b>	<b>Company 2021</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax	(806,272)	(98,242)
Income tax calculated at 30%	(241,882)	(29,473)
Future income tax benefit not brought to account	241,882	29,473
<b>Income tax expense</b>	<u>-</u>	<u>-</u>

The ability of the Group to utilise the tax losses is subject to the Company satisfying either the continuity of ownership test or the same business test.

**4. CASH AND CASH EQUIVALENTS**

	<b>Consolidated 2022</b>	<b>Company 2021</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	<u>4,084,018</u>	<u>1</u>

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**4. CASH AND CASH EQUIVALENTS (continued)**

**(a) Reconciliation of loss after income tax to net cash from operating activities**

	<b>Consolidated 2022 \$</b>	<b>Company 2021 \$</b>
Loss for the period	(806,272)	(98,242)
Non-cash items:		
Share-based payments	180,781	-
Movement in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	156,700	-
Increase/(Decrease) in trade and other payables	145,392	79,199
Increase/(Decrease) in borrowings	(19,043)	19,043
Net cash used in operating activities	<u>(342,442)</u>	<u>-</u>

**(b) Non-cash investing and financing activities**

There were no non-cash investing and financing activities during the year ended 30 June 2022 (2021: Nil).

**5. EXPLORATION AND EVALUATION EXPENDITURE**

	<b>Consolidated 2022 \$</b>	<b>Company 2021 \$</b>
Balance at the beginning of the period	-	-
Exploration and evaluation expenditure incurred during the period	1,434,449	-
Acquisition of HWK Utah Pty Ltd, HWK Nevada Pty Ltd and HWK Idaho Pty Ltd (Note 18)	7,966,347	-
Balance at the end of the period	<u>9,400,796</u>	<u>-</u>

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.

**6. TRADE AND OTHER PAYABLES**

	<b>Consolidated 2022 \$</b>	<b>Company 2021 \$</b>
<b>Current</b>		
Trade payables and accruals	<u>64,384</u>	<u>79,199</u>

**7. BORROWINGS**

	<b>Consolidated 2022 \$</b>	<b>Company 2021 \$</b>
<b>Non-current</b>		
Loan from Hawkstone Mining Limited	<u>-</u>	<u>19,043</u>

The loan from the Hawkstone Mining Limited is non-interest bearing and repayable on demand. An additional \$228,745 of funding for IPO costs was provided during the current year. The loan of \$247,788 was repaid in cash in December 2021.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**8. ISSUED CAPITAL**

**(a) Issued Capital**

	<b>Consolidated 2022</b>	<b>Company 2021</b>
	<b>\$</b>	<b>\$</b>
Fully paid ordinary shares	14,900,001	1
Less: capital raising costs	(622,920)	-
	<u>14,277,081</u>	<u>1</u>

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

<b>Date</b>	<b>Details</b>	<b>No. of Shares</b>	<b>Issue Price</b>	<b>\$</b>
01/04/2021	Opening balance	1	\$1.00	1
30/06/2021	Closing balance	<u>1</u>		<u>1</u>
01/07/2021	Opening balance	1	\$1.00	1
06/10/2021	Initial public offering	32,500,000	\$0.20	6,500,000
	Acquisition of HWK Utah Pty Ltd, HWK Nevada Pty Ltd and HWK Idaho Pty Ltd (Note 18)	40,000,000	\$0.20	8,000,000
	Capital raising fee	<u>2,000,000</u>	\$0.20	<u>400,000</u>
30/06/2022	Closing balance	<u>74,500,001</u>		<u>14,900,001</u>

**(c) Capital risk management**

The Company does not have a defined share buy-back plan.

No dividends will be paid in 2022 (2021: Nil).

There is no current intention to incur further debt funding on behalf of the Company as on-going expenditure will be funded via cash reserves or equity.

The Company is not subject to any externally imposed capital requirements.

**9. RESERVES**

**(a) Foreign currency translation and share based payments reserve**

	<b>Consolidated 2022</b>	<b>Company 2021</b>
	<b>\$</b>	<b>\$</b>
Foreign currency translation reserve	<u>40,466</u>	-
Share based payments reserve	<u>180,781</u>	-

**(b) Movement in options**

<b>Date</b>	<b>Details</b>	<b>No. of Unlisted Options</b>	<b>Fair Value of Options Granted</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
01/07/2021	Opening balance	-			
10/02/2022	Issue to management	2,550,000	\$0.071	\$0.25	10/02/2026
30/06/2022	Closing balance	<u>2,550,000</u>			

**(c) Nature and purpose of reserve**

*Foreign currency translation reserve*

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign translation reserve. Exchange differences previously accumulated in the foreign translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**9. RESERVES (continued)**

**(c) Nature and purpose of reserve**

*Share based payments reserve*

The share based payments reserve is the value of equity benefits provided to directors, employees and consultants by the Company as part of their remuneration.

**10. SHARE-BASED PAYMENTS**

**(a) Shares**

During the period, the Company issued 2,000,000 fully paid ordinary shares, valued at \$400,000 based on a value of \$0.20 per share, to the Lead Manager as a success fee (upon the successful admission of the Company to the ASX Official List).

**(b) Performance Rights**

During the period, the Company issued 7,400,000 Performance Rights to directors, broken down into the following classes:

	<b>Number</b>	<b>Expiry Date</b>
Class A	3,000,000	20/09/2026
Class B	2,300,000	20/09/2026
Class C	2,100,000	20/09/2026
Total	7,400,000	

The Performance Rights have the following milestones attached to them:

- (i) Class A Performance Rights: The Company achieving a JORC compliant inferred mineral resource estimate of 100,000 ounce gold, copper, silver and or platinum group elements, with a cut off grade of 0.5g/t, within five years from the date of issue of the Performance Rights.;
- (ii) Class B Performance Rights: The Company achieving a JORC compliant inferred mineral resource estimate of 250,000 ounce gold, copper, silver and or platinum group elements, with a cut off grade of 0.5g/t, within five years from the date of issue of the Performance Rights. and
- (iii) Class C Performance Rights: The Company achieving a JORC compliant inferred mineral resource estimate of 500,000 ounce gold, copper, silver and or platinum group elements, with a cut off grade of 0.5g/t, within five years from the date of issue of the Performance Rights.

No value has been recorded for the Performance Rights as the Company cannot predict whether the achievement of the above milestones is probable at the date of issue.

**(c) Options**

The number and weighted average exercise prices of share options are as follows:

	<b>Weighted average exercise price 2022</b>	<b>Number of Options 2022</b>
Outstanding at 1 July	-	-
Granted during the period	0.25	2,550,000
Outstanding at 30 June	0.25	2,550,000
Exercisable at 30 June	0.25	2,550,000

The options outstanding at 30 June 2022 have an exercise price of \$0.25 and a weighted average remaining contractual life of 3.6 years.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**10. SHARE-BASED PAYMENTS (continued)**

**(c) Options (continued)**

The following table lists the inputs to the models used for the valuation of the options issued during the period:

	<b>Management</b>
Number of options	2,550,000
Fair value at measurement date	\$0.071
Dividend yield (%)	Nil
Expected volatility (%)	90%
Risk free rate (%)	1.48%
Expected life of option	4 years
Share price	\$0.135
Exercise price	\$0.25
Model used	Black-Scholes
Value of options	\$180,781
Amount expensed during the year	\$180,781

**11. CONTROLLED ENTITIES**

	<b>Percentage Interest</b>		<b>Country of incorporation</b>
	<b>2022</b>	<b>2021</b>	
<b>Parent entity</b>			
Diablo Resources Limited			Australia
<b>Particulars in relation to controlled entities</b>			
HWK Idaho Pty Ltd	100%	-	Australia
Ounces High Exploration Inc	100%	-	United States
HWK Utah Pty Ltd	100%	-	Australia
Roughhead Exploration Inc	100%	-	United States
HWK Nevada Pty Ltd	100%	-	Australia
Hawkstone Nevada Inc	100%	-	United States

**12. CONTINGENT LIABILITIES, LEASE COMMITMENTS AND CONTINGENT ASSETS**

As at 30 June 2022 there were no contingent liabilities, lease commitments or contingent assets.

The following commitments are included in the terms of the agreement to acquire the Diamond Peak Project:

- The payment of USD15,000 per year on the anniversary date.
- The payment of 3% of the annual exploration and development work expenditures.
- On commencement of commercial production the 3% fee will convert to a 3% net smelter royalty.
- The Company has the option to purchase the 3% fee and royalty within 4 years from completion by the payment of USD3,000,000 in cash or shares as agreed between the parties.

**13. RELATED PARTY TRANSACTIONS**

The Company's main related parties are as follows:

*a. Subsidiaries*

Interest in subsidiaries are set out in Note 11.

*b. Key management personnel*

Disclosures relating to key management personnel are set out in note 14.

*c. Transactions with related parties:*

During the year, Arizona Lithium Limited, the Company's ultimate parent entity prior to admission into the Official List of the ASX, paid for costs relating to the IPO and initial corporate costs of \$247,788 which was repaid on completion of the IPO.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**14. KEY MANAGEMENT PERSONNEL DISCLOSURES**

*Compensation:*

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	<b>Consolidated 2022 \$</b>	<b>Company 2021 \$</b>
Short term employee benefits	235,970	-
Share based payments	106,342	-
Aggregate compensation	342,312	-

**15. FINANCIAL RISK MANAGEMENT**

The Company's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payables.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as other receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments is cash flow interest rate risk and liquidity risk. Other minor risks are either summarised below or disclosed at Note 8 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

**(a) Cash flow interest rate risk**

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. 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.

The Group has not entered into any hedging activities to cover interest rate risk. In regards to its interest rate risk, the Group does not have a formal policy in place to mitigate such risks.

The following table sets out the carrying amount by maturity of the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. There were no fixed interest rate financial assets or liabilities held by the Group.

<b>2022</b>	<b>Non Interest Bearing \$</b>	<b>Floating Interest Rate \$</b>	<b>Total \$</b>	<b>Weighted Average Effective Interest Rate %</b>
Financial Assets				
- Cash and cash equivalents	-	4,084,018	<b>4,084,018</b>	0.1
- Security deposits held	156,700	-	<b>156,700</b>	-
Total Financial Assets	156,700	4,084,018	<b>4,240,718</b>	
Financial Liabilities				
- Trade creditors	64,384	-	<b>64,384</b>	-
Total Financial Liabilities	64,384	-	<b>64,384</b>	-
Net Financial Assets / (Liabilities)	92,316	4,084,018	<b>4,176,334</b>	0.1

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**15. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Cash flow interest rate risk (continued)**

2021	Non Interest Bearing \$	Floating Interest Rate \$	Total \$	Weighted Average Effective Interest Rate %
Financial Assets				
- Cash and cash equivalents	1	-	1	-
Total Financial Assets	1	-	1	-
Financial Liabilities				
- Trade creditors	79,199	-	79,199	-
- Loan	19,043	-	19,043	-
Total Financial Liabilities	<b>98,242</b>	-	<b>98,242</b>	-
Net Financial Assets / (Liabilities)	(98,241)	-	(98,241)	-

*Interest rate sensitivity*

At 30 June 2022, if interest rates had changed by 10% during the entire year with all other variables held constant, profit/(loss) for the year and equity would have been \$79 lower/higher, mainly as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 10% decrease sensitivity would move short term interest rates at 30 June 2022 from around 0.01% to 0.009% (10% increase: 0.011%) representing a 3 basis points shift. This would represent one decrease which is reasonably possible in the current environment with the bias coming from the Reserve Bank of Australia and confirmed by market expectations that interest rates in Australia are more likely to move down than up in the coming period.

Based on the sensitivity analysis, only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

**(b) Liquidity risk**

The Company manages liquidity risk by maintaining sufficient cash reserves and through the continuous monitoring of budgeted and actual cash flows.

	2022 \$	2021 \$
Contracted maturities of liabilities at 30 June		
Payables		
- less than 30 days	64,384	79,199

**(c) Net fair values**

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

**(d) Credit Risk**

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The Group's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the statement of financial position. The majority of cash and cash equivalents is held with one Australian Bank which has an AA- long-term credit rating from Standard and Poor's.

Wherever possible, the Group trades only with recognised, credit worthy third parties. There are no significant concentrations of credit risk within the Group. Since the Group trades only with recognised third parties, there is no requirement for collateral.

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**16. SEGMENT REPORTING**

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.

**17. AUDITOR'S REMUNERATION**

The auditor of Diablo Resources Limited is HLB Mann Judd.

	<b>Consolidated 2022</b>	<b>Company 2021</b>
	\$	\$
Amounts paid or payable to HLB Mann Judd for:		
Audit services	30,300	2,000
Independent Limited Assurance Report	10,100	-
	40,400	2,000

**18. ACQUISITION OF SUBSIDIARIES**

On 23 June 2021, Arizona Lithium Limited (formerly Hawkstone Mining Limited) ("Arizona Lithium") entered into a Share Sale Agreement with the Company to acquire HWK Idaho Pty Ltd, HWK Nevada Pty Ltd and HWK Utah Pty Ltd ("HWK Entities") subject to certain conditions precedent. The acquisition was completed on 6 October 2021.

*Consideration*

As consideration for the acquisition, the Company has agreed to issue Arizona Lithium 40,000,000 fully paid ordinary shares in the Company. The shares received as consideration by Arizona Lithium were distributed in-specie to Arizona Lithium's shareholders.

*Accounting standard applied*

The acquisition of the HWK Entities has been accounted for as an asset acquisition. The acquisition does not meet the definition of a business combination in accordance with AASB 3 Business Combinations (as the HWK Entities are considered for accounting purposes not to be a business). As such the acquisition has been accounted for as a share-based payment transaction using the principles of AASB 3 Business Combinations and AASB 2 Share-Based Payment.

The fair value of the consideration paid and allocation to net identifiable assets is as follows:

	\$
<i>Fair value of consideration paid:</i>	
40,000,000 fully paid ordinary shares	8,000,000
<i>Fair value of net identifiable assets acquired</i>	
Petty cash	42
Security deposit	33,611
Exploration and evaluation expenditure	7,966,347
	8,000,000

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**19. INFORMATION RELATING TO DIABLO RESOURCES LIMITED (PARENT)**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Current assets	4,113,330	1
Total assets	<u>13,640,283</u>	<u>1</u>
Current liabilities	64,383	98,242
Total liabilities	<u>64,383</u>	<u>98,242</u>
Issued capital	14,277,081	1
Reserves	180,781	-
Accumulated losses	(881,963)	(98,242)
Loss of the parent entity	<u>(783,720)</u>	<u>(98,242)</u>
Total comprehensive loss of the parent entity	<u>(783,720)</u>	<u>(98,242)</u>

The parent entity has not entered into any guarantees, in relation to the debts of its subsidiary.

The parent entity has not entered into any commitments for expenditure as at the end of the financial year.

**20. EVENTS AFTER THE REPORTING PERIOD**

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

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**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES**

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**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 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 position as at 30 June 2022 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;
  - (b) there are reasonable grounds to believe that the Company 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 by the chief executive officer and the chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

On behalf of the Board



Paul Lloyd  
Director  
26 July 2022

## INDEPENDENT AUDITOR'S REPORT

To the members of Diablo Resources Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Diablo Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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* (the Code) that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

**h**l**b.com.au**

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**Key Audit Matter**

**How our audit addressed the key audit matter**

**Carrying Value of Exploration and Evaluation**

Refer to Note 5

In accordance with AASB 6 *Exploration and Evaluation Expenditure of Mineral Resources*, the Group capitalises exploration and evaluation expenditure and as at 30 June 2022 had a deferred exploration and evaluation balance of \$9,400,796.

Exploration and evaluation expenditure was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area which involved the most audit effort and communication with those charged with governance.

Our procedures included but were not limited to:

- Obtaining an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure;
- Considering the Directors' assessment of potential indicators of impairment in addition to making our own assessment;
- Obtaining evidence that the Company has current rights to tenure of its areas of interest;
- Considering the nature and extent of planned ongoing activities;
- Substantiating a sample of expenditure by agreeing to supporting documentation; and
- Examining the disclosures made in the financial report.

**Accounting for Asset Acquisition**

Refer to Note 18

During the financial year, in October 2021 the Company completed the purchase of HWK Utah Pty Ltd, HWK Nevada Pty Ltd and HWK Idaho Pty Ltd. The transaction was accounted for as an asset acquisition.

The acquisition was considered to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area which involved the most audit effort and communication with those charged with governance.

Our procedures included but were not limited to:

- Reviewing the Share Sale and Purchase agreement to understand key terms and conditions;
- Ensuring the transaction was appropriately characterised as an asset acquisition as opposed to a business combination;
- Ensuring the consideration had been correctly determined
- Obtaining audit evidence that the acquisition-date assets and liabilities were fairly stated;
- Assessing the adequacy of the Company's disclosures in respect to the acquisition.

*Information Other than the Financial Report and Auditor's Report*

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

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Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

*Responsibility of the directors for the financial report*

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on the Remuneration Report**

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Diablo Resources Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**26 July 2022**



**M R Ohm**  
**Partner**

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**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
ASX ADDITIONAL INFORMATION**

**QUOTED SECURITIES**

**ORDINARY FULLY PAID SHARES**

(i) **DISTRIBUTION OF SHAREHOLDERS AS AT 14 JULY 2022:**

<b>SPREAD OF HOLDINGS</b>	<b>NO. OF HOLDERS</b>	<b>NO. OF SHARES</b>	<b>PERCENTAGE OF ISSUED CAPITAL %</b>
0 - 1,000	2,801	1,280,446	1.72%
1,001 - 5,000	1,780	3,957,664	5.31%
5,001 - 10,000	361	2,737,707	3.67%
10,001 - 100,000	765	20,375,254	27.35%
above 100,001	117	46,148,930	61.94%
<b>Totals</b>	<b>5,824</b>	<b>74,500,001</b>	<b>100.00%</b>

The number of shareholdings held in less than marketable parcels is 4,858.

(ii) **TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES:**

The names of the twenty largest shareholders of ordinary fully paid shares are listed below:

	<b>NAME</b>	<b>NO OF ORDINARY SHARES HELD</b>	<b>% OF ISSUED SHARE CAPITAL</b>
1	CITICORP NOMINEES PTY LIMITED	3,150,715	4.23%
2	MR DANNY ALLEN PAVLOVICH <PAVLOVICH FAMILY SPEC 2 A/C>	2,995,626	4.02%
3	PAC PARTNERS SECURITIES PTY LTD	2,022,652	2.72%
4	YALLINGUP INVEST PTY LTD	1,206,826	1.62%
5	MR ZHAOYANG LIU	1,162,753	1.56%
6	MR WENSLEY CARROLL <ZIPP 2001 SUPER FUND A/C>	1,000,000	1.34%
7	MRS UPASANABEN CHETAN PATEL	950,000	1.28%
8	CORAL BROOK PTY LTD <LLOYD SUPER FUND A/C>	917,099	1.23%
9	MR TONY LINCK	912,757	1.23%
10	KTA CAPITAL PTY LTD <TRINH SUPER FUND A/C>	871,751	1.17%
11	INCAZZATO PTY LTD	850,000	1.14%
12	MR ANDREW WILLIAM SPENCER & MRS BENEDICTE MARIE FRANCOISE SPENCER <SPENCER SF A/C>	825,966	1.11%
13	MR CRAIG RUSSELL STRANGER	804,420	1.08%
14	MR CHANG HUI LIN	798,461	1.07%
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	751,998	1.01%
16	MR HIEN QUANG TRINH <TRIVEST CAPITAL A/C>	712,242	0.96%
17	PARANOID ENTERPRISES PTY LTD	704,651	0.95%
18	AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	695,213	0.93%
19	PAC PARTNERS PTY LTD	643,750	0.86%
20	JETMAX TRADING PTY LTD	634,180	0.85%
	<b>Total</b>	<b>22,611,060</b>	<b>30.35%</b>

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
ASX ADDITIONAL INFORMATION**

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**ASX ADDITIONAL INFORMATION (continued)**

**QUOTED SECURITIES (continued)**

**ORDINARY FULLY PAID SHARES (continued)**

**(iii) VOTING RIGHTS**

Article 13 of the Constitution specify that on a show of hands every member present in person, by attorney or by proxy shall have:

- (a) for every fully paid share held by him one vote; and
- (b) for every share which is not fully paid a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares.

**(iv) SUBSTANTIAL SHAREHOLDERS**

The Company has no substantial shareholders at the date of this information.

**UNQUOTED SECURITIES**

**(a) UNLISTED OPTIONS ON ISSUE**

Options exercisable at \$0.25 expiring 10 February 2026	2,550,000
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**(b) UNLISTED PERFORMANCE RIGHTS**

Class A expiring 29 September 2026	4,900,000
Class B expiring 29 September 2026	1,250,000
Class C expiring 29 September 2026	1,250,000

**DIABLO RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
CORPORATE GOVERNANCE STATEMENT**

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Diablo Resources Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Diablo Resources Limited has its corporate governance practices against the Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) published by the ASX Corporate Governance Council.

The 2022 corporate governance statement was approved by the Board on 26 July 2022 and is current as at 26 July 2022. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at [www.diablorresources.com.au/corporate-governance/](http://www.diablorresources.com.au/corporate-governance/).

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