

DRILLING COMMENCES AT WESTERN DESERT GOLD-COPPER PROJECT, UTAH USA

- Recently listed Diablo Resources (ASX:DBO) has commenced drilling at the Western Desert Project in Utah, targeting near surface gold-copper-silver mineralisation.
- Western Desert Project covers similar geology as Newmont/Barrick 2.3Moz Long Canyon Gold Mine, located 50km to the west³.
- 2,000m of Diamond Drilling (DD) to test geophysical, geochemical and structural targets as well as known mineralisation at four priority areas:
 - **Copper Blossom:** up to **25 g/t Gold and 3.69% Copper**^{1, 2, 15}
 - **Taco:** up to **2.08% Copper and 20% Lead**²
 - **A6:** targeting a pronounced gravity low and associated magnetic high
 - **A3:** identified from soil sampling and coincident with a N-S structural zone
- Drilling to be the first modern exploration to have been completed at Western Desert despite the presence of widespread mineralised outcrop.
- Drilling expected to take 3-4 months to complete.



Drilling rig at Western Desert Project



Commenting on the maiden drilling, Diablo CEO Lyle Thorne

“ We are excited to have commenced our maiden drilling programme. The Western Desert Project is a Greenfields gold- copper project which has not seen any reported exploration drilling in the last 20+ years despite the surface expressions of copper-gold mineralisation.

Over the past 18-months, systematic exploration has identified priority areas to drill test, and what has emerged are four really exciting targets, including a mixture of high-grade mineralised outcrops, geophysical anomalies and geochemical targets at Copper Blossom, Taco, A3 and A6.

The project meets all the criteria we look for when assessing projects, favourable host rocks, regional structures, interpreted heat source and target-style mineralisation in the area. The team is looking forward to the drilling programme and the geological data it will provide “

Diablo Resources Ltd (ASX: DBO) is pleased to announce that its maiden drilling programme has commenced at its 100%-owned Western Desert Project, located in western Utah, USA (Fig. 1). The project is considered prospective for skarn style gold-copper-silver and Carlin-style gold mineralisation in Palaeozoic carbonate and sedimentary rocks.



Figure 1 - Diablo Resources, Location of Western Desert Copper-Gold Project with significant regional mines and deposits.

The Western Desert Project is located within the Basin and Range Province of the Western USA, comprising a series of northerly striking, fault bounded ranges. The project lies within the same



sequence of Cambro-Ordovician carbonate and sedimentary rocks that host the Carlin Trend gold deposits some 200 km to the west. Outside of the Carlin Trend, gold deposits hosted in the same geological setting include:

- Long Canyon gold mine (19.8 Mt at 3.5 g/t for 2.3 Moz gold³) located 50 km to the west (Barrick, 2020)³.
- West Kirkland Mining Inc.'s TUG Deposit (4.85 Mt at 0.84 g/t gold and 40.4 g/t silver of Indicated Resources and 4.39 Mt at 0.79 g/t gold and 30.3 g/t silver of Inferred Resources) located 40 km to the north (West Kirkland Mining Inc., 2012).⁵

In 2020, rock chip sampling of outcropping mineralisation^{1,2,21} and old workings within the Western Desert Project area returned high grade results including:

- Gold to 6.92 g/t
- Copper to 5.09%
- Silver to 1,495 g/t
- Lead to >20%²

A program of infill stream sediment sampling and ground magnetic and gravity surveys were also completed with anomalous zones identified^{1,2,21}.

Early-stage exploration programs identified eleven geological and structural targets (A1-A11) with the 2,000m DD program to be completed at Copper Blossom, Taco, A6 and A3 priority target areas²² as follows (Fig. 2):



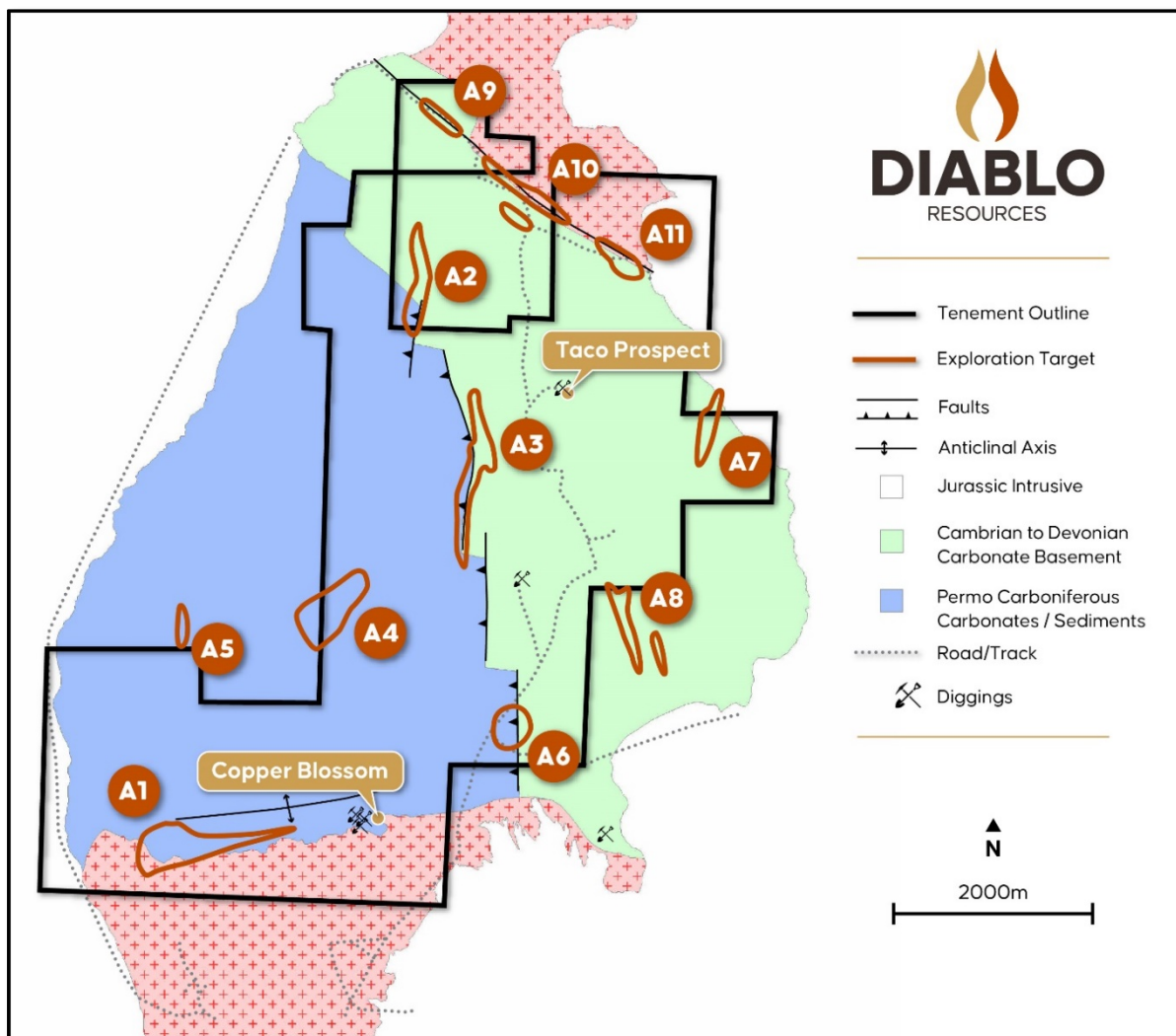


Figure 2- Western Desert Project- Geology and Prospect Location Map

Copper Blossom Prospect

Planned drilling at Copper Blossom is targeting outcropping, stacked, Au-Cu-Ag skarn-style mineralisation over +350m with rock/grab sampling completed in 2020 returning peak results of 25 g/t Au, 77g/t Ag and 3.69% Cu^{1,2,21} in altered carbonates and sediments, lying on the southern limb of an easterly trending anticline parallel to and just north of an intrusive contact.

The association of copper mineralisation with the gold and silver points to the presence of a nearby intrusive that post-dates the large intrusive to the south. Mapping has identified later crosscutting felsic dykes potentially emanating from this postulated intrusive. Drilling will test the interpreted stacked mineralisation and also for potential deeper repetitions in the host Peoquop limestone.



Taco Prospect

Defined as a combined magnetic-gravity anomaly coincident with an 800m long, northerly trending, handheld XRF Cu/Pb soil geochemical anomaly encompassing the old workings. Peak results from rock/grab samples collected in 2020 to 2.08% Cu, 1,495 g/t Ag and 20% Pb^{1,2,21} are associated with breccia/alteration zones in northerly striking carbonate rocks. Drilling aims to initially test the source of the combined anomalism beneath the old workings.

A3 Prospect

The dominant structural grain across in the A3 target area is north-south resulting from compressive faults (thrust and reverse) identified over a strike length of some 1,500m. In part, these faults are marked by light or dark-toned zones which may represent alteration within these north-south trends in the younger post-Carboniferous overthrust sediments. Stream sediment sampling completed in 2020 outlined anomalous drainage areas ^{2, 21} coincident with the thrust zone in Carbonate rocks.

A6 Prospect

The target was identified from satellite imagery as an area of dark and light-toned superficial soils in the broad southern area of alluvial outwash coincident with a pronounced gravity low and associated magnetic high². The target is on-trend to the south of the main N-S faults and geochemical anomalism associated with Target A3.

Extensive alluvial outwash masks all outcrop, and it is interpreted that this gravity feature may represent a buried intrusive, with the associated magnetic features being attributed to possible skarn-style alteration as a carapace to the intrusive. Drilling is targeting a pronounced gravity low and associated magnetic high.

There is no evidence of drilling at any of the target areas, despite the mineralised outcrop, historical adits/shafts and the highly prospective geological setting. However, mechanised surface scraping's are widespread.

The Company looks forward to reporting results from its maiden drilling program.

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Authorised by the Board of Directors of Diablo Resources Limited.

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Competent Persons Statement

The information in this announcement that relates to the Western Desert Gold-Copper Project is based on, information compiled by Gregory L Smith who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Smith is a Director of the Company and holds shares in the Company. Mr. Smith consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Future Performance

This announcement may contain certain forward-looking statements and opinion. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties, assumptions, contingencies and other important factors, many of which are outside the control of the Company and which are subject to change without notice and could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Nothing contained in this announcement, nor any information made available to you is, or and shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Diablo.



About Diablo Resources Limited

Diablo is an Australian registered, USA-focused metals exploration and development company. The mineral assets of Diablo and its 100% owned subsidiaries comprise the Devil's Canyon Au-Cu-Ag Project located in Nevada, the Western Desert Project Au-Cu-Ag located in Utah and the Lone Pine Gold Project located in Idaho, all within the USA (Fig. 3).



Figure 3 – Diablo Resources, United States of America (USA) project portfolio, located in the mining friendly states of Utah, Nevada and Idaho.

All three project areas have mineralisation at surface that require further exploration. Some prospect areas within the project areas appear to have only been lightly drilled or never been drill tested and present as priority targets.

The Company recently listed on the ASX and is well funded to progress its project portfolio through systematic and focussed exploration. The Company has an in-country management team with expertise in all aspects of exploration activities in the Western USA.



Previous ASX Announcements

Western Desert

1. ASX Announcement 16/03/2020, Acquisition of Western Desert Gold - Copper Project, Utah, USA, Hawkstone Mining Ltd
2. ASX Announcement 03/07/2021 –Hawkstone Mining Ltd 950% increase in Western Desert Copper-Gold Project.
3. Barrick Gold Corporation, 2020. Annual Report 2020. www.barrick.com
4. New Placer Dome, 2021. Kingsley Mountain Project. www.newplacerdome.com
5. West Kirkland Mining Inc, 2012. West Kirkland Files TUG Resource Estimate on SEDAR. 16 July 2012
6. Rio Tinto, 2021. Increase in Mineral Resource at Kennecott Copper operation following mine life extension studies. ASX Announcement, 17 February 2021.

Devils Canyon

7. ASX Announcement 7/10/2020, Acquisition of Carlin Trend Gold Project, Hawkstone Mining Ltd
8. ASX Announcement 23/10/2020, Hawkstone Mining Ltd. Target A1 Identified Over 92.2 g/t Gold Rock Chip Sample at Devil's Canyon Gold Project
9. ASX Announcement 2/12/2020, Hawkstone Mining Ltd. High Grade Gold and Copper Results at Devil's Canyon Gold Project, Nevada
10. ASX Announcement 1/02/2021, Hawkstone Mining Ltd. Devil's Canyon Gold Project High Grade Assays to 191.5 g/t Gold

Lone Pine

11. ASX Announcement 3/02/2020, Hawkstone Mining Ltd. Acquisition of Historical High Grade Lone Pine Project
12. ASX Announcement 18/6/2020. Hawkstone Mining Ltd .Maiden Drill Programme to Commence at Lone Pine Gold Project.
13. ASX Announcement. Hawkstone Mining Ltd.1/7/ 2020. Acquisition of King Solomon Mine Adjacent to Lone Pine Gold Project.
14. ASX Announcement . Hawkstone Mining Ltd. 13/7/ 2020. Lone Pine Project Exploration Update.
15. ASX Announcement. Hawkstone Mining Ltd. 6/8/2020. HWK Mobilised Larger Additional Rig to Lone Pine.
16. ASX Announcement. Hawkstone Mining Ltd. 27/08/ 2020. Completion of King Solomon Acquisition and Exploration Update.
17. Revival Gold Presentation Oct 5, 2020 (revival-gold.com)
18. ASX Announcement 25/11/2020, Hawkstone Mining Ltd Final Drill Results Confirm, Lone Pine High Grade Potential
19. ASX Announcement. Hawkstone Mining Ltd. 15/09/ 2020. Initial Drilling Confirms High Grade Mineralisation at the Lone Pine Gold Project.
20. ASX Announcement 9/12/2020, Hawkstone Mining Ltd High Grade Rock Chip samples up to 24.7 g/t Au Identify Further Mineralised Zones

General

21. Diablo Resources Prospectus, <https://diablorresources.com.au/>
22. ASX Announcement 23/11/21 - Diablo Resources Ltd- Exploration Update

