

QUARTERLY ACTIVITIES REPORT

March 2022

HIGHLIGHTS

Western Desert Project

- Drilling at Western Desert completed, with altered and brecciated sediments and intrusive rocks intersected at the A3 and Copper Blossom prospects.
- A total of 5 diamond drill holes for 1,084m completed, with all samples at the laboratory and assays awaited.
- Geological mapping and prospecting identified altered and brecciated sediments and jasperoid in the A3 target, together with other geological features characteristic of Carlin-style mineralisation in area where 2020 stream geochemistry returned anomalous Au, As and Sb.

Lone Pine Project

- Drilling contractor secured with drilling to commence on the Lone Pine vein zone in late Q2 - early Q3.
- Drilling at the Lone Pine Vein will target the high grade gold mineralised zone at depth, below the old workings and significant results returned in the 2020 drill program by Arizona Lithium Limited (formerly Hawkstone Mining Ltd) including 1.22m @ 17.02 g/t Au, 2.83m @ 7.08 g/t Au and 1.91 g/t Au @ 12.93 g/t Au from^{14, 15 & 18}.
- Archaeological survey commissioned at King Solomon Prospect as part of the drill permitting process. The survey will form part of the USFS final review process, with the permit approval anticipated in Q3.
- Drilling at King Solomon will target the NE trending mineralised zone intersected in 1990's RC drilling 36m @ 1.7 g/t Au, 115m @ 0.74 g/t Au and 53m @ 0.50 g/t Au^{13,16}.



Diablo Resources Ltd (ASX: DBO) continued exploration activities at its three USA Projects, located within some of the most prospective gold and base-metal regions globally (Figure 1).

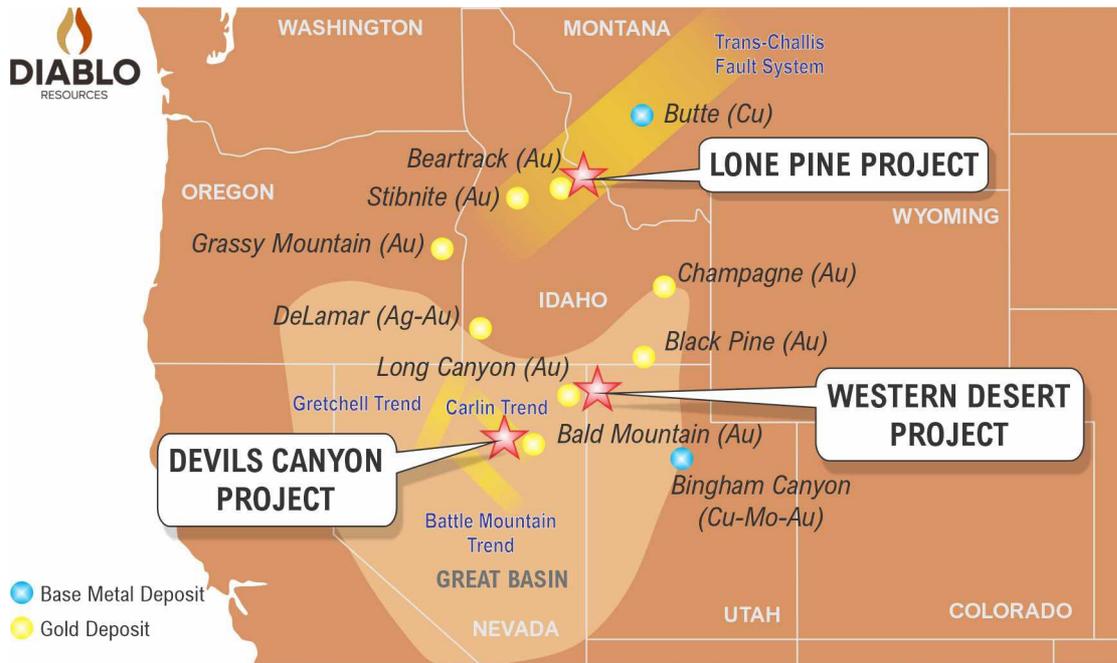


Figure 1 - - Project Location Map

WESTERN DESERT PROJECT

Drilling was completed during the quarter at the Company’s 100%-owned Western Desert Project, located in western Utah, USA²³ (Fig. 2). The project is considered prospective for skarn style gold-copper-silver and Carlin-style gold mineralisation in Palaeozoic carbonate and sedimentary rocks.

Three targets were drilled at the Western Desert Copper-Gold Project. Unfortunately, rig access to the Taco Prospect could not be completed and a hole at the A6 geophysical target (WD003) could not penetrate the thick unconsolidated cover and was abandoned at 35m. Both targets will be reviewed and be considered for future drilling programs.



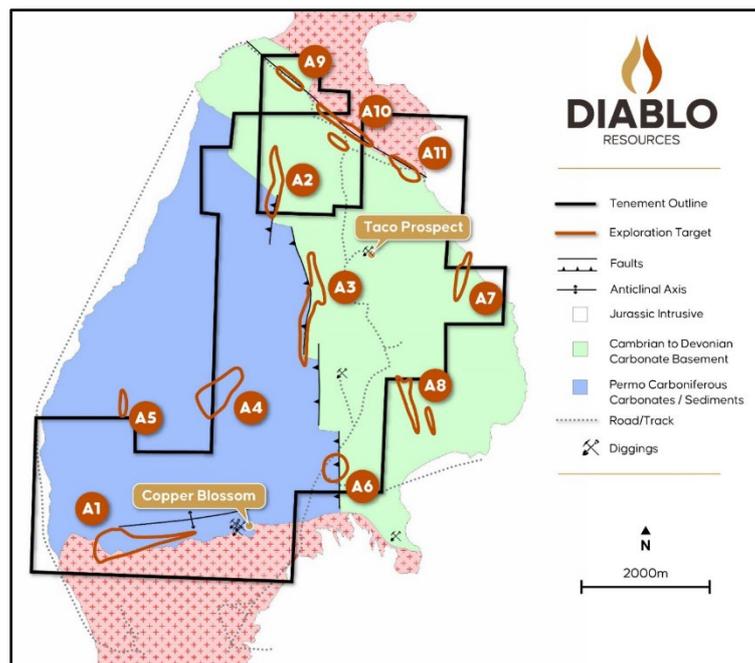


Figure 2 - Western Desert Project- Geology and Prospect Location Map

A total of 5 diamond drill holes (HQ₃, WDD001-005) were completed for 1,084.8m, as summarised below:

Hole	East	North	Azi/Dip	Depth (m)	Prospect
WD001	267265	4548347	-50/352	286.7	Copper Blossom
WD002	267060	4548400	-50/020	234.7	Copper Blossom
WD003	268615	4549257	-60/090	35	A6 (Abandoned)
WD004	268277	4550859	-55/080	266.3	A3
WD005	268043	4551305	-55/090	262.1	A3

Drilling was slower than anticipated due to poor weather and logistical issues, including the effects of Covid, breakdowns and drill water transport and availability.

A3 Prospect

The A3 Prospect is located within the central portion of the project area. Stream Sediment and soil sampling completed in 2020 by Hawkstone outlined anomalous drainage areas (Au, Ag, As and Pb)² 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 possibly representative of alteration.

Two holes (WD004-005) for 528.4 m of drilling 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.

Lamprophyres are known to have a spatial association with Carlin style mineralisation in Nevada, notably at the Long Canyon Deposit, where they provided pathways for mineralizing fluids or acted as aquitards/trap sites. (Ref: *Age, Distribution and Composition of Igneous Rocks of Pequop Mountains, NE Nevada: Association with Carlin-Style Deposits* (2016). Milliard, A., et al. Researchgate.net)

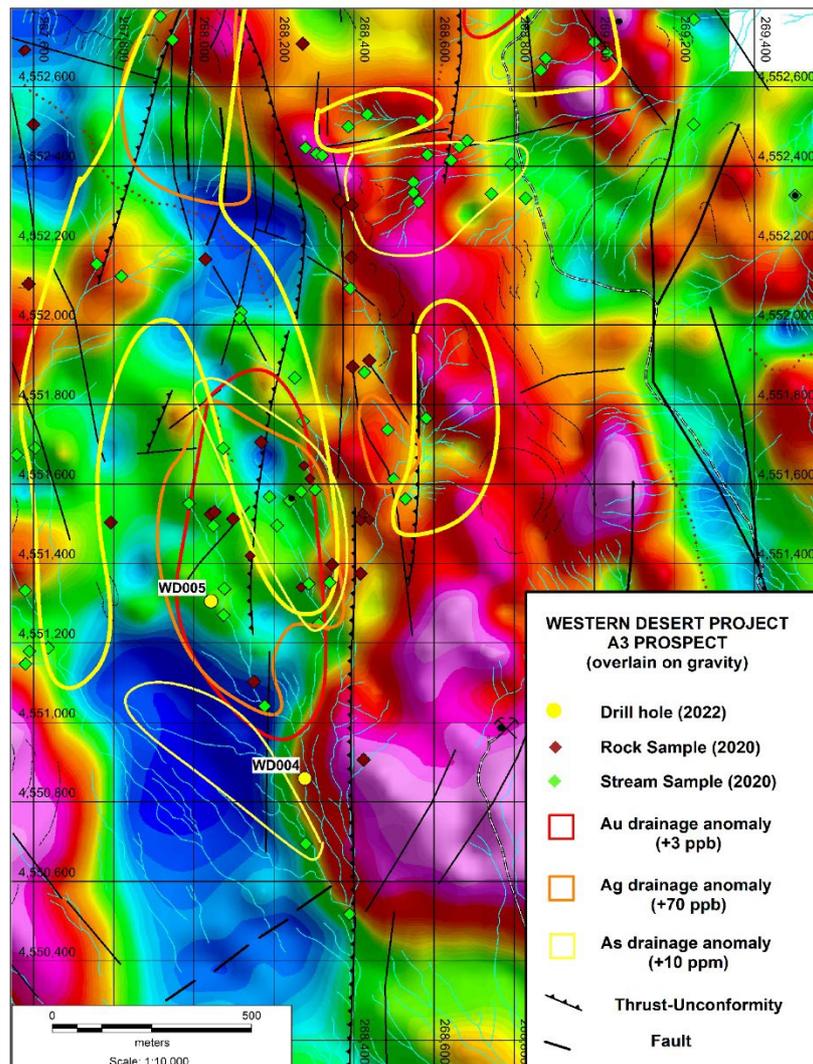


Figure 3 - A3 Prospect- Drill hole location map overlain on ground gravity and geochemistry



Copper Blossom Prospect

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

Two holes, WD001 and WD002, located approximately 200m apart, were drilled for 521.4m. The drilling intersected variably altered skarnified limestones/sediments proximal to granitic contacts in the upper portion of the holes. Deeper in the holes, closer to the postulated structural-unconformity target zone associated with a SE dipping antiformal limb, a package of altered, silicified, brecciated, veined and possibly de-calcified carbonates, graphitic siltstone/shale, conglomerates and brecciated fault zones were intersected.

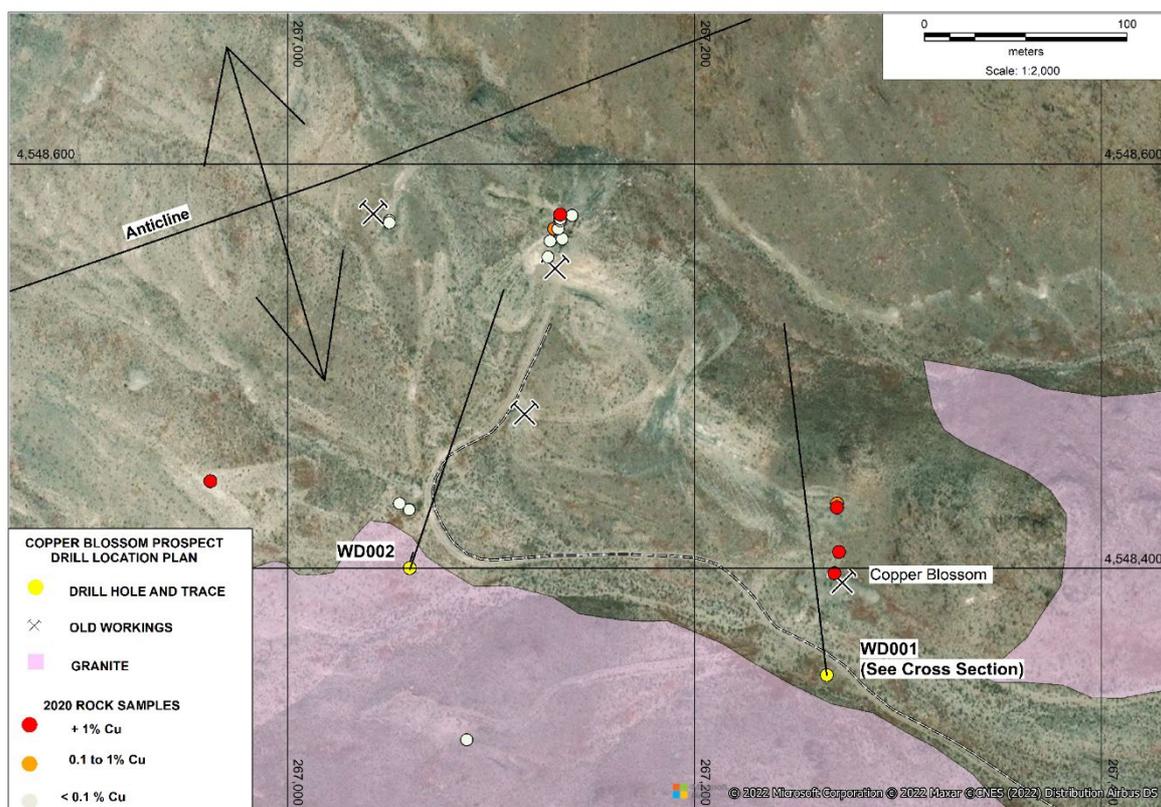


Figure 4- Copper Blossom Prospect- Drill hole location plan

A6 Prospect

Extensive alluvial outwash masks all outcrop, and it is interpreted that the A6 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. A single hole, WD003, was drilled to a depth of 35m before it was abandoned due to issues with the unconsolidated cover material.

A passive seismic survey was conducted over the A6 area to aid in determining the depth of cover and to better inform any decision on future drilling and drill rig type. Results are awaited.



Regional Mapping

Geological mapping in the northern portion of the A3 drill area located altered sediments, jasperoids and dissolution breccias upstream of anomalous Au-As-Sb stream sediment geochemistry. These alteration features are typical of Carlin-style mineralised zones.



Figure 5- Rock Samples- Red- red brown highly siliceous chert-jasperoid



Figure 6 – Possible calcite-filled dissolution breccia in carbonate rocks- A3 area.

LONE PINE GOLD PROJECT

The Lone Pine Project is highly prospective for gold and comprises two Patented Mining Claims and a further 268 mineral claims covering an area of approximately 21.85 km² located 10 km west of Salmon in Lemhi County, Idaho.

The project contains precious metal occurrences spatially related to the Eocene age Trans-Challis Fault System, a major zone of rifting and crustal extension. The mineralised quartz-filled structure/shear hosting the Lone Pine vein zone is associated with a steeply dipping, northeast striking contact between granitoid and sediments^{8,18}.

The Company has secured Titan Drilling from Nevada to mobilise and commence diamond drilling the Lone Pine vein zone at depth as soon as access allows, anticipated to be late June to early July. Previous shallow drilling to 150m vertical depth intersected significant gold including 1.22m @ 17.02 g/t Au from 38.4m, 2.83m @ 7.08 g/t Au from 63.7m and 1.91 g/t Au @ 12.93 g/t Au from 106.9m^{14,15,18}(Figure 7).

The Company is awaiting approval from the United States Forestry Service (USFS) for the planned drilling program at the adjoining King Solomon Prospect. This approval is expected in the coming months following completion of the archaeological survey. This will allow the drill rig to move directly from the Lone Pine vein zone to the King Solomon mineralised zone where historic RC drilling returned results of 36m @ 1.7 g/t Au from 64m, 115m @ 0.74 g/t Au from 64m and 53m @ 0.50 g/t Au from 53m^{13,16} (Figure 7).

An initial drill program of 8 holes for 2,000m is planned for Lone Pine vein zone and the King Solomon mineralisation. Drilling will be HQ3 diamond core to allow a larger sample size, as historical drilling identified coarse gold in the mineralised zones¹³.



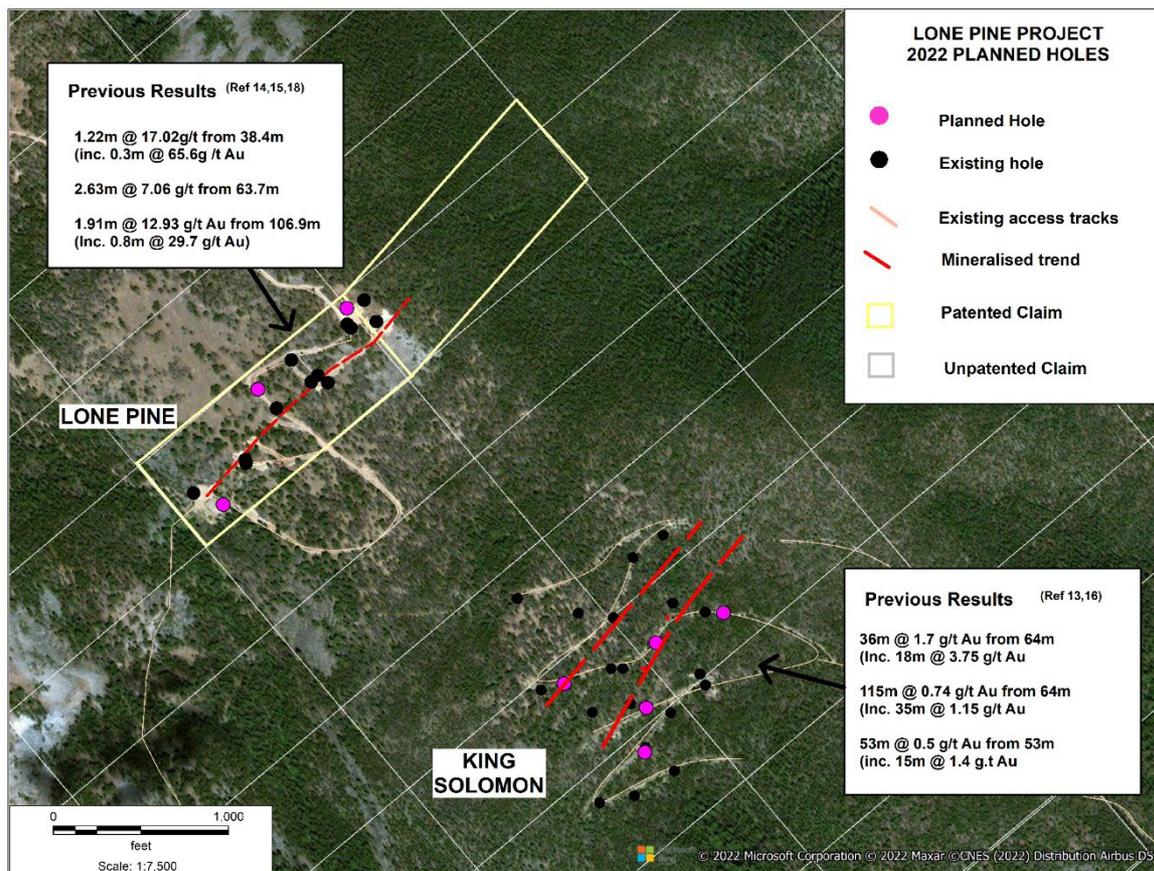


Figure 7 - Lone Pine Gold Project- Overview Map showing prospects, previous drilling (Lone Pine – 2020 DDH, King Solomon 1990-92 RC) and planned drilling for 2022

A regional geochemical soil sampling program is planned. The soil sampling will aim to better define several targets identified by anomalous rock chip samples collected in 2020²⁰.

DEVILS 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 km² lying within the Carlin Trend in Nevada that has produced in excess of 195 million ounces of gold.

The project is 20 km west of Kinross Gold Corporation’s Bald Mountain Gold Mine and 40 km north of Barrick Gold Corporation’s Ruby Hill Gold Mine¹⁸. A maiden drill program at the Project was planned and submitted to the BLM in late 2021. Approval is awaited. Geochemical sampling is planned at the project to better define the mineralised zones and controls.



FINANCIAL POSITION

The Company has \$4.47m in cash at the end of the Quarter.

A summary of the expenditure incurred on exploration activities, payments to related parties and tenements held are set out in the annexure to the Appendix 5B. No development or production activities were undertaken during the Quarter.

A comparison of the use of funds as set out in the Prospectus and the actual use of funds is set out in the annexure to this announcement.

For further information please refer to the Appendix 5B.

-END-

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 Lyle Thorne 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. Thorne is an employee of the Company and holds shares in the Company. Mr. Thorne 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



- 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 listed on the ASX in late 2021 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.
23. ASX Announcement 09/12/21- Diablo Resources Ltd- Drilling commences at Western Desert Project

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 Program 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



ANNEXURE

A comparison of the proposed use of funds set out in the prospectus against the actual use of funds to date is set out below:

Description	Prospectus disclosure (Year 1)	Pro-rata (from date of IPO to current)	Actual Expenditure	Commentary
Exploration – Devil’s Canyon Project	695,000	347,500	21,753	A.
Exploration – Western Desert Project	720,000	360,000	1,074,386	A.
Exploration – Lone Pine Project	535,000	267,500	111,564	A.
Administration Costs	270,450	135,225	194,002	
Expenses of the Offer	559,100	-	594,508	
Total	2,779,550	1,110,225	1,996,213	

Commentary:

- A. Actual exploration expenditure will vary due to timing of the exploration programs on the various projects which is dependent on weather, access and availability of suppliers.

