

QUARTERLY ACTIVITIES REPORT

JUNE 2022

HIGHLIGHTS

Western Desert Project

- Assays received from maiden wide spaced drilling program at the Western Desert Gold-Copper-Silver Project, located in Utah, USA.
- A total of 5 holes for 1,085 metres of DD drilling completed at several targets
- Drilling intersected wide zones of altered and mineralised sediments and intrusives, showing characteristics of Carlin-style mineralisation (Ag, As, Sb, Ba with associated Hg, Mn and Au). Sampling of WD005 completed post drilling returned results including;
 - **WD005** – 228m @ 0.87 g/t Ag from 2m, inc.
 - 11m @ 1.42 g/t Ag from 37m, and
 - 110m @ 1.18 g/t Ag from 120m incl. 1m @ 17.7 g/t Ag
- Further exploration is planned at Western Desert

Lone Pine Gold Project

- Logistics finalised for drilling to commence Early Q3 at Lone Pine located in Idaho, USA.
- Drilling at the Lone Pine Vein Zone 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 scheduled for July with report to be submitted as part of the permitting process to facilitate drilling the King Solomon Prospect, part of the Lone Pine Gold Project.
- Drilling at King Solomon will target the NE trending mineralised zone intersected in 1990's RC drilling, with historical results including 18m @ 3.75 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

All results have now been received from drilling at the Company's 100%-owned Western Desert Project, located in western Utah, USA²³ (Fig. 2) The project is considered prospective for Carlin-style gold mineralisation and skarn style gold-copper-silver in Palaeozoic carbonate and sedimentary rocks.



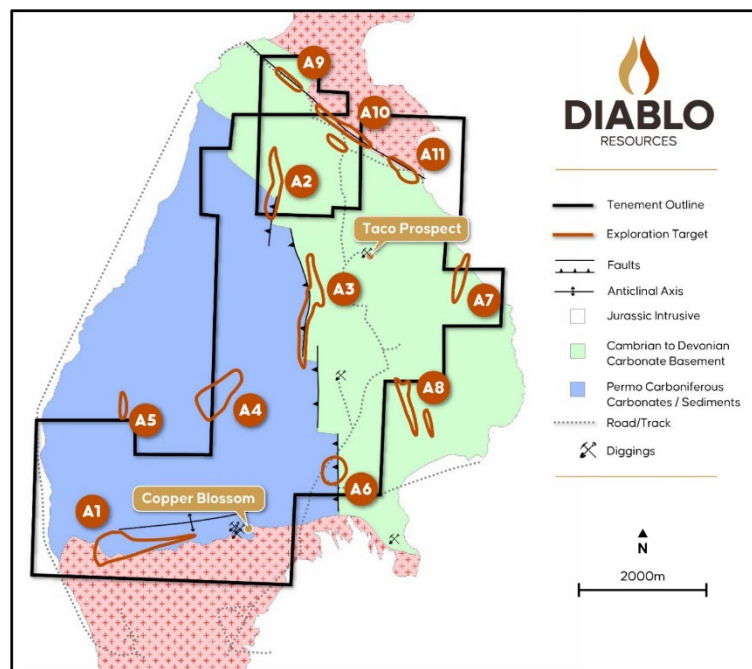


Figure 2 - Western Desert Project- Geology and Prospect Location Map

A total of 5 diamond drill holes (HQ₃, WDD001-005) were completed for 1084.8m.

A summary of results is included below in Table 1. This includes the additional sampling intervals collected from WD005.

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



Table 2 - Drill Collar File

Hole	East	North	Dip/Azi	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
WD004	268277	4550859	-55/080	266.3	A3
WD005	268043	4551305	-55/090	262.1	A3

UTM NAD83 Zone 12

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 wide spaced 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 thrusting unconformity. Following further review, additional sections of WD005 were sampled post drilling with results received during the quarter.

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.



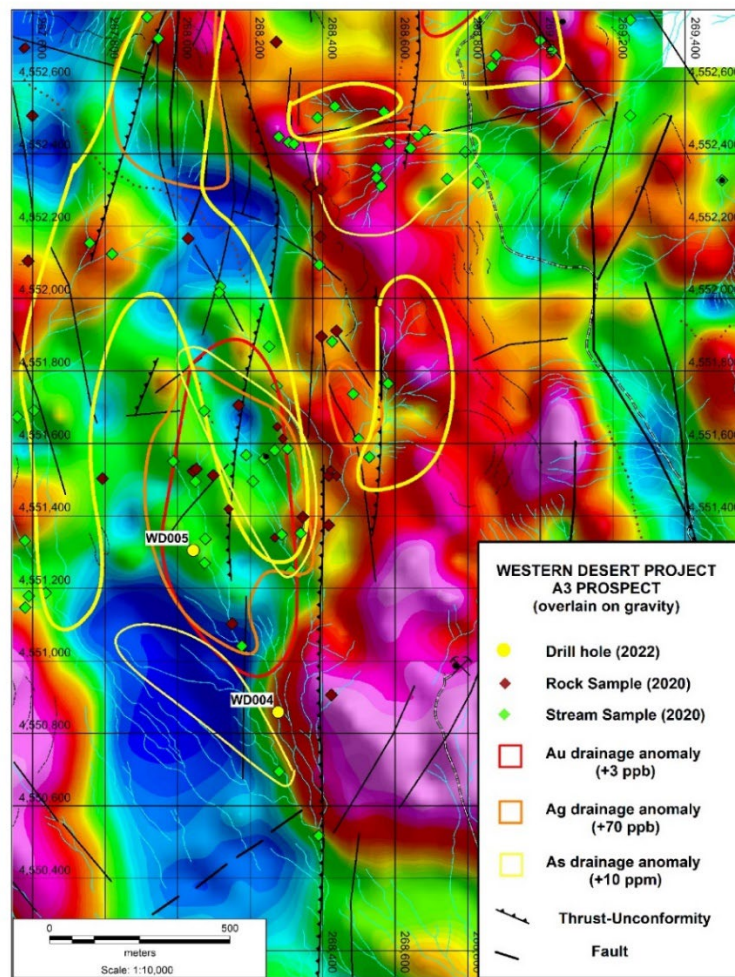


Figure 3 - A3 Prospect- Drill hole location map overlay on ground gravity and geochemistry



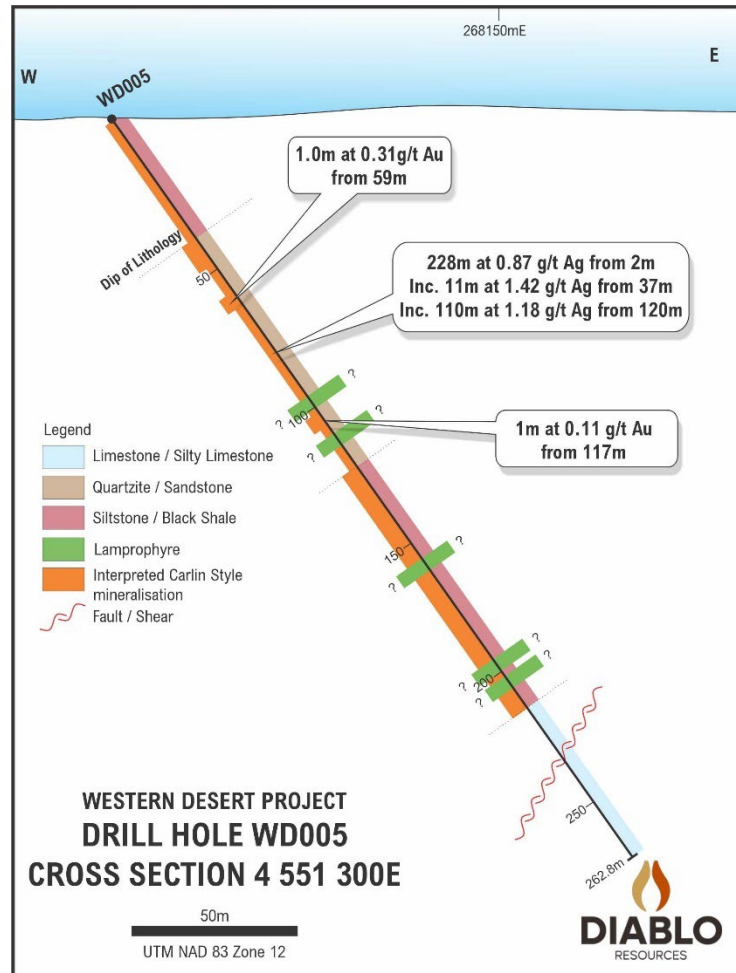


Figure 4- WD005- Schematic Cross Section

Copper Blossom Prospect

Two holes, **WD001 & 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 (Figures 2, 6 & 7).

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 decalcified 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 (Photos 1, 2 & 3).



Results included:

- **WD001, 69.7 m @ 0.45 g/t Ag from 217m to end of hole at 286.7m and**
- **WD002, 72.4m @ 0.32 g/t Ag from 162m to end of hole at 234.7m.**

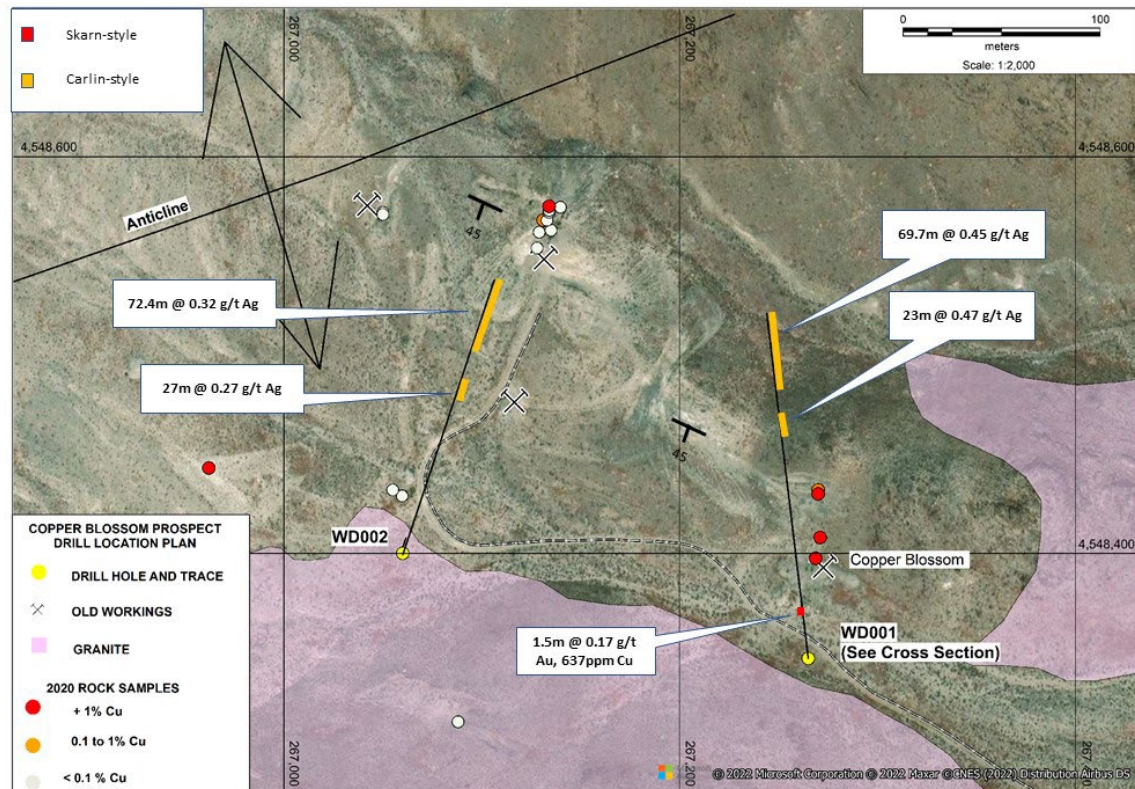


Figure 5- Copper Blossom Prospect- Drill hole location plan

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

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



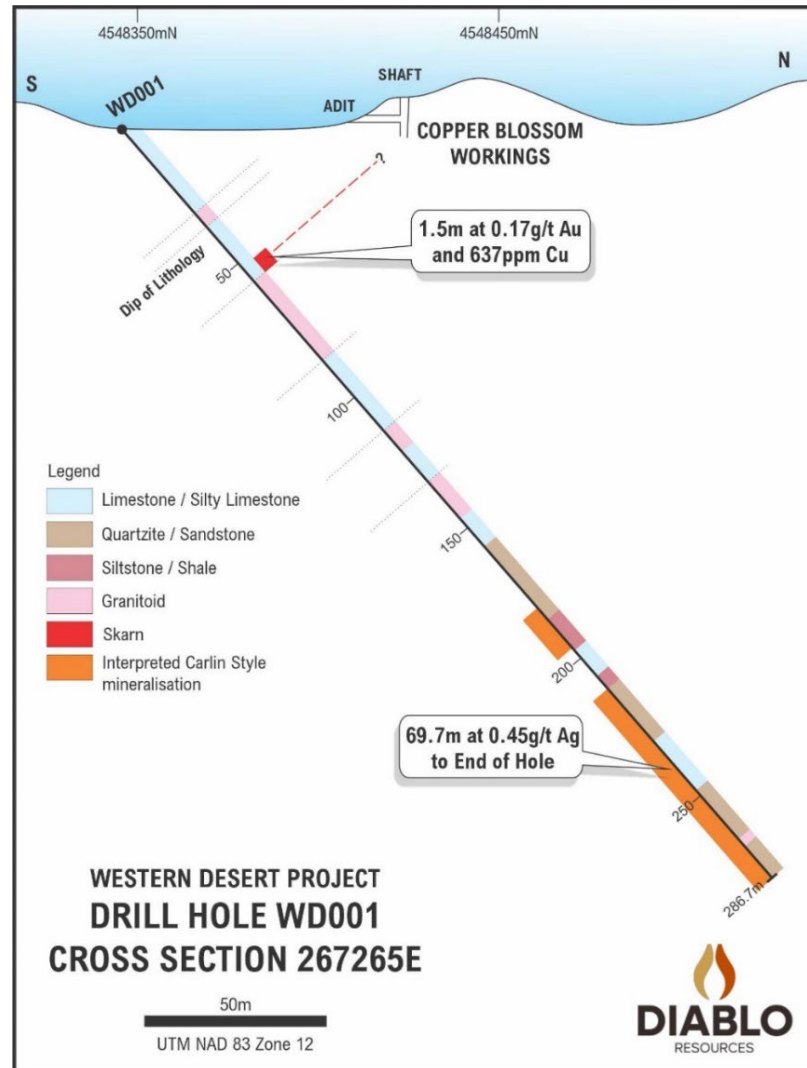


Figure 6 – WD001 – X Section Looking West - Copper Blossom Prospect

Regional Mapping & Sampling

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. A total of 15 samples (WDCL01-15) were collected with several returning anomalous gold results (see Table 3 below).

Three samples, WDCL01-03, returned anomalous gold together with elevated Ag, As, Sb, Tl, characteristic of Carlin-style mineralisation. Detail mapping and further sampling is planned at this prospect area, named A3N.



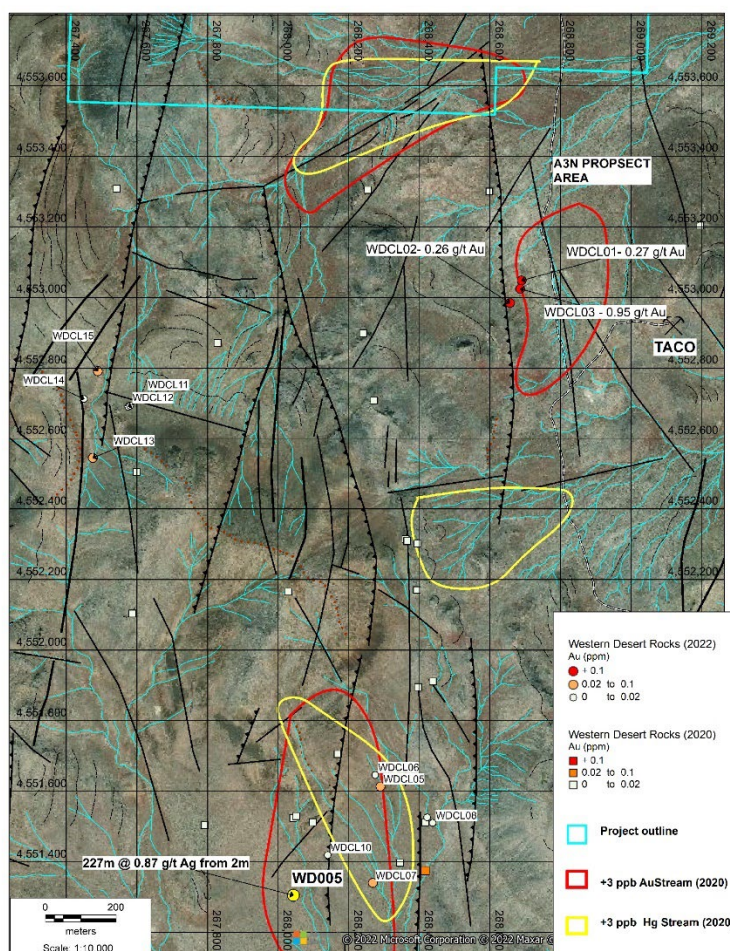


Figure 8- Regional Rock sample-location map

sample	E_NAD83	N_NAD83	RL	Comments	Au	Ag	As	Ba	Fe	Hg	Mn	Mo	Pb	S	Sb	Te	Tl	V	W	Zn
WDCL01	268690	4553048	1413	r-bn to or-bn alt Lst, pitted	0.27	2.23	395	430	12.4	0.68	55	51.3	128	0.05	138	0.29	0.05	121	75.1	61
WDCL02	268657	4552984	1427	pur-bn alt Lst, subcrop	0.26	0.86	37.7	600	1.69	0.36	41	14	45.5	0.15	9.17	0.41	0.03	6	5.28	6
WDCL03	268686	4553024	1419	rd-bn to or-bn alt Lst, subcrop	0.95	3.62	921	1020	14.45	1.13	55	50.5	226	0.21	107.5	1.68	0.06	149	95.9	17
WDCL04	269822	4551762		or-bn pebble conglom, "punk" texture	0.02	0.03	41.8	80	0.46	0.02	246	0.73	3	0.34	3.15	0.07		5	1.02	10
WDCL05	268290	4551613	1462	rd-bn pebble conglom	0.03	0.26	30.8	430	0.91	0.06	50	2.69	3.8	0.48	1.27	0.02	0.05	26	1.18	44
WDCL06	268275	4551646	1479	rd-bn qtzite g/mass pervasively altered, pitted	0.01	0.2	25.8	330	1.65	0.05	38	3.26	4.1	0.54	0.88	0.03	0.04	22	0.72	44
WDCL07	268268	4551340	1423	rd-bn altered shale/sed, outcrop	0.04	0.2	357	1510	23.1	0.03	31	16.5	40.9	0.52	6.06	0.37	0.14	465	1.07	167
WDCL08	268438	4551510	1441	pale gy-bn chert-jasperoid	0.01	0.06	13.7	440	0.57	0.06	33	2.39	4.2	0.02	7.18	0.05	0.02	26	7.55	70
WDCL09	268422	4551526	1448	bn chert-jasperoid	0.01	0.06	27.1	580	0.82	0.03	35	3.03	4	0.03	15.7	0.08	0.03	44	11.85	81
WDCL10	268140	4551419	1449	pur-bn alt qtzite, pitted outcrop	0.01	0.26	27.8	1650	2.5	0.04	27	4.28	10.5	0.06	1.71	0.01	0.02	27	1.65	474
WDCL11	267575	4552690	1572	pn bn - rd bn jasperoid pitted	<0.01	0.05	63.8	100	24	0.12	86	3.26	16.1	0.08	3.47	<0.01	0.03	70	3.59	405
WDCL12	267580	4552693	1572	red gritty altered sediment	0.01	0.06	34.9	150	14.6	0.05	41	2.54	3.7	0.05	2.61	0.02	<0.02	29	3.78	242
WDCL13	267475	4552545	1586	pale or-wh sil Lst	0.02	0.03	16.4	130	0.39	0.02	149	2.79	2	0.02	1.9	0.01	0.11	7	1.94	17
WDCL14	267450	4552712	1571	red banded jasperoid, subcrop	0.01	0.07	97.9	80	18.6	0.07	35	4.68	7	0.07	1.11	0.01	0.02	83	5.42	433
WDCL15	267489	4552791	1562	dk bn rd massive chert-jasperoid, heavy, float	0.02	0.05	39.6	110	23.3	0.07	37	3.3	20.8	0.08	1.19	0.01	0.03	27	2.28	234

Table 3- Regional Rock Sampling Results - all values in ppm, except Fe and S (%)





Figure 9- Rock Samples WDCL03 (0.95 g/t Au) and WDCL01 (0.26 g/t Au)- Red- red brown highly siliceous altered limestones, A3N Prospect 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, and lies 6km west of Revivals Gold's Arnett-Beartrack deposit .

The mineralised quartz-filled structure/shear hosting the Lone Pine Vein Zone (LPVZ) is associated with a steeply dipping, northeast striking contact between granitoid and sediments ^{8, 18}. 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).

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

The Company is awaiting approval from the United States Forestry Service (USFS) for the planned drilling program at the adjoining King Solomon Prospect, following completion and submission of the archaeological survey. This will allow the drill rig to move directly from the LPVS 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).



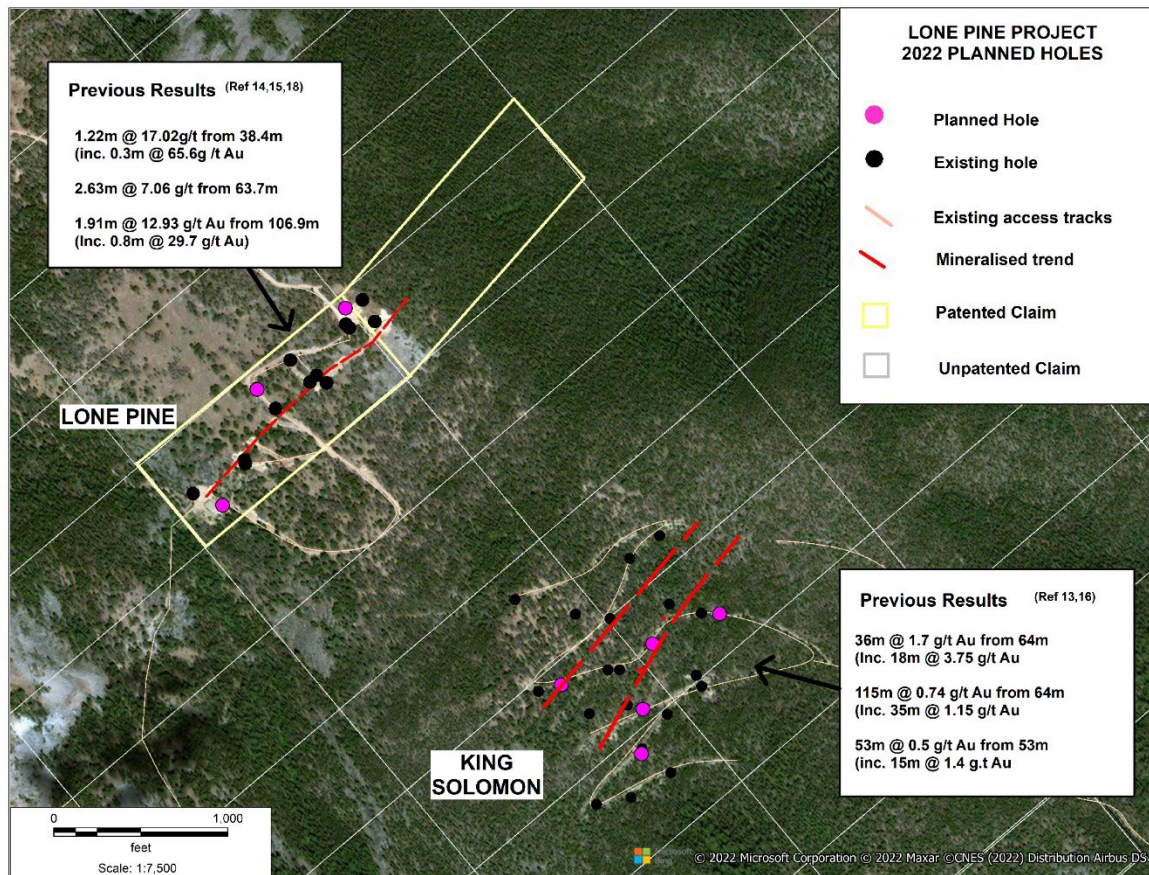


Figure 10- Lone Pine Gold Project- Overview Map showing prospects, previous drilling (Lone Pine – 2020 DDH, King Solomon 1990-92 RC) and planned drilling for 2022

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. Work completed during the quarter included a field visit to meet with local stakeholders in preparation for the planned maiden drill programme.



FINANCIAL POSITION

The Company has \$4.085m 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 Projects (including the information provided pursuant to ASX Listing Rules 5.12.2 to 5.12.7 (inclusive)) is based on, and fairly represents 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.



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://diabloresources.com.au/>
22. ASX Announcement Nov 22 , 2021- Diablo Resources Ltd- Exploration Update
23. ASX Announcement Dec 9, 2022- Diablo Resources – Drilling commences at Western Desert Gold Copper Project



Appendix 1 -JORC Code, 2012 Edition – Table 1 report – Western Desert Project -DC drilling (2021-2022- WD001-005) & rock sampling (WDCL01-15)

Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	The sampling has been carried out using diamond core drilling (DC). A total of 5 holes for 1084.8m were drilled (WD001-005). DC recovery was generally good. Rock Sampling was completed as grab samples from outcrop or sub-crop.
	<i>Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.</i>	The drill holes were initially located by handheld GPS, Sampling was carried out under DBO protocols and QAQC procedures as per current industry practice. See further details below. Rock sample locations were collected using handheld GPS.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed</i>	DC samples were collected from HQ3 diamond core. Core was measured, orientated (where possible), photographed and then cut in half. Core samples generally on a 0.5m to ~1m basis were then collected, dependent upon geology as ½ core, keeping the side collected constant. These samples were sorted and dried by the assay laboratory. pulverised to form a 50gm charge for Fire Assay/AAS. Multi-element analysis was also undertaken using ICP-OES to ppm levels.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	A Diamond Coring drilling rig, operated by Titan Drillers Pty Ltd, based in Elko, Nevada, was used to collect the samples. Core was oriented using downhole tool (gyro) technique.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Core recoveries were checked against core blocks when marking up core on 1m intervals and also in geotechnical work. Core recovery was good.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Core was sampled on a 0.5m to ~1m basis generally to geological contacts and collected as ½ core, keeping the side collected constant.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse</i>	Core recovery was generally good. No significant core loss was noted in the drilling.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	All core were geologically logged by Company geologists, using the Companies logging scheme. DC was both geologically and geotechnically logged.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of DC records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. All remaining half core samples are stored in labelled core trays. These trays were photographed and then stored off site for future reference.



	<i>The total length and percentage of the relevant intersections logged.</i>	All holes were logged in full.
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Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Core was sawn using a diamond blades and ½ core collected for assay on a 0.5m to ~1m basis, generally to geological contacts. When core was rubbly or broken, approximately 50% of the material was sampled
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	NA
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples were prepared at the ALS Laboratory in the USA, either Elko or Twin Falls sites. Samples were dried, and the whole sample pulverised to 90% passing 75µm, and a reference sub-sample of approximately 200g retained. A nominal 40g was used for the analysis (FA/AAS) and a further subsample used for multi-element analysis (ICP_OES) to ppm levels. The procedure is industry standard for this type
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.</i>	Certified Reference Materials (CRM's) and/or in house controls, blanks and duplicates are analysed with each batch of samples. These quality control results are reported along with the sample values in the final report. Selected samples are also re-analysed to confirm anomalous results.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Core collected as 1/2 core or 50% of material collected from interval if material unconsolidated. The samples generally weigh 2-4kg prior to pulverisation.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered appropriate to give an indication of mineralisation given the particle sizes and the practical requirement to maintain manageable sample weights.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Samples were analysed for Au to ppm levels via 50gm fire assay / AAS finish which gives total digestion and is appropriate for high-level samples. Multi-element analysis was also undertaken using ICP-OES to ppm levels.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No geophysical tools were used in this program.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Company QA/QC protocol for DC drilling is for Field Standards (Certified Reference Materials) duplicates, and Blanks inserted at a rate of 4 Standards, 3 dups and 3 Blanks per 100 single metre samples. At the Assay Laboratory additional Repeats, Lab Standards, Checks and Blanks are analysed concurrently with the field samples. Results of the field and Lab QAQC samples were checked on assay receipt. All assays met QAQC protocols, showing no levels of contamination or sample bias.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant results were checked by the CEO and Company Geologists.
	<i>The use of twinned holes.</i>	Twin holes were not employed during this part of the program.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All field logging was carried out on hardcopy geological log sheet. Data is entered electronically to the Database. Assay files are received electronically from the Laboratory. All data is stored in a Company database system, and maintained by the Database Manager.



	<i>Discuss any adjustment to assay data.</i>	Due to varying assay interval widths, the results quoted have been weight averaged.
Criteria	JORC Code explanation	Commentary
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Hole locations were determined by hand-held GPS. The drill rig mast is set up using a clinometer. Down hole directional surveying was completed regularly using a down hole multi-shot tool within stainless steel rod.
	<i>Specification of the grid system used.</i>	Grid projection is UTM NAD83, Zone 12
	<i>Quality and adequacy of topographic control.</i>	Relative Levels are allocated to the drill hole collars using current Digital Terrain Model's for the area . The accuracy of the DTM is estimated to be better than 5m.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Drilling was designed to intersect interpreted primary mineralisation at depth beneath oxide mineralisation targets. No grid based drilling was undertaken. The drilling is wide spaced at 200m-500m collar distance
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The drilling is wide spaced, and as such is first pass early stage exploration
	<i>Whether sample compositing has been applied.</i>	No compositing has been employed in the reported results.
Orientation of data in relation to geological	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The orientation of the drill hole (azimuth) is approximately perpendicular to the strike of the targeted mineralisation.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	The drill orientation is estimated to be approximately perpendicular to the main mineralised trend. It is unclear at present whether cross structures are mineralised, however it is considered unlikely that any sampling bias has been introduced. The effects of late intrusive dykes and sills is also yet to be
Sample security	<i>The measures taken to ensure sample security.</i>	Calico sample bags were collected in pre -numbered plastic bags (five calico bags per single plastic bag), sealed and transported to the for assaying.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling and assaying techniques are industry-standard. No specific audits or reviews have been undertaken at this stage in the program.



Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The drilling occurred with the Company's 100% owned Western Desert Project. The Project is located 40km NE of Wendover in Western Utah. The Project consists of 258 mineral claims and one State Lease covering 28.65 km ² Old workings and associated remnant infrastructure have been identified in the Copper Blossom area as historical sites and are noted as exclusion/avoidance zones.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The claims subject to this report are in good standing with the Bureau of Land Management (BLM).
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Previous exploration has consisted of minor shafts, adits and dozer scrapes along with more recent photogeological interpretation, mapping, rock chip, stream sediment sampling and ground magnetics and gravity surveys completed by Hawkstone Mining Ltd.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The project is located within the Basin and Range Province of the Western USA, within the same sequence of Cambro-Ordovician carbonate and sedimentary rocks that host the Carlin Trend gold deposits 200 km to the west and Newmont Corporation's Long Canyon Gold Mine 50 km to the west. The stratigraphy and structural geology of the project is similar to the host rocks of the Carlin trend gold deposits. A wedge of Carboniferous sediments and carbonate units in the west is thrust over pre-Carboniferous (Cambrian to Devonian) units to the east. In the Carlin Trend, the mineralisation is hosted within the overlying carbonate units along or near the thrust faults.



Drill hole information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	Refer to table in the body of text.
Criteria	JORC Code explanation	Commentary
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p>	Grades are reported as down-hole length-weighted averages of grades. No top cuts have been applied to the reporting of the assay results.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	All higher grade intervals are included in the reported grade intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</p>	<p>Copper Blossom - The geometry of the host sediments is approximately 290/45S. Mineralisation is interpreted to broadly follow this orientation although later intrusive rocks could disrupt primary bedding. All assay results are based on down-hole lengths, and true width of mineralisation is not known.</p> <p>A3 Prospect- The geometry of the host sediments is approximately 180/45W Mineralisation is interpreted to broadly follow this orientation although later intrusive rocks could disrupt primary bedding. All assay results are based on down-hole lengths, and true width of mineralisation is not known.</p>
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figure in the body of text.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Refer to results reported in body of text and summary statistics for the elements reported.



Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Refer to body of text and this appendix.
Further work	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	Further drill testing of the anomalous results is planned based on additional geological analysis. The location of the collars of these holes is still to be determined.



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	521,250	21,753	A.
Exploration – Western Desert Project	720,000	540,000	1,367,772	B.
Exploration – Lone Pine Project	535,000	401,250	112,509	A.
Administration Costs	270,450	202,838	287,141	
Expenses of the Offer	559,100	-	594,508	
Total	2,779,550	1,665,338	2,383,683	

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.
- B. Actual exploration expenditure at Western Desert has been higher than budgeted due to difficult weather conditions and access.

