

QUARTERLY ACTIVITIES REPORT

SEPTEMBER 2022

HIGHLIGHTS

DEVILS CANYON GOLD/COPPER PROJECT – Nevada USA

- Detailed geological mapping of Devils Canyon completed, outlining structural targets for follow-up.
- Geochemical sampling completed, including rock sampling and orientation soil sampling, with results received post quarter. Further shallow pits and old workings located associated with altered sediments and intrusives.
 - Anomalous channel samples over 3m widths to **1 g/t Au, 1.1% Cu and 3.3% Zn**
 - Rock samples from previously unsampled areas return **12.9% Cu, 271 g/t Ag and 1.3 g/t Au** on eastern side of project area.
 - At Southside, rock samples returned **Au to 3.1 g/t** and **Cu to 3.3%** associated with altered sediment and skarn.
 - Soil sampling outlines Au-Cu-Ag anomaly at Southside over 500m, open along strike. Regional sampling to commence shortly.
- Provisional approval by BLM received for drilling at the project, subject to site visit planned for early next quarter.

WESTERN DESERT GOLD PROJECT – Utah USA

- Results received (post quarter) from geochemical sampling completed at A3N Prospect defines a gold anomaly with corresponding Carlin-style pathfinder geochemical signature associated with newly identified structural target (Splay Zone) at A3N.
- Detailed mapping of priority areas including A3N and A3 within the project completed, with prospective target areas identified.

LONE PINE GOLD PROJECT – Idaho USA

- Drilling at Lone Pine Project is delayed due to large wildfire which has impacted the project with all access currently closed by authorities. The Company is monitoring the situation and will follow advice from the relevant authorities. Prior to the road closure drill pads were completed for the planned holes on the Lone Pine vein zone.
- Archaeological survey report pertaining to the King Solomon drill programme submitted to USFS for review.



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



Figure 1 - Project Location Map

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.

Detailed geological mapping over the project area by an experienced independent consultant geologist has been completed. The mapping aimed to identify key structural and alteration zones within the project areas as well as defining areas amenable to soil sampling.

An orientation soil programme was completed over the Southside area to assess the effectiveness of soil sampling in an area where shallow prospecting pits were located. A total of 38 samples were collected on a 100m x 100m and 100m x 50m grid spacing, with results received post quarter.

The results have identified a Au-Cu-Ag geochemical signature associated with magnetic highs close to the intrusive-limestone contact interpreted to be skarn-style mineralisation. The results are considered very positive and further sampling across the project in areas amenable to this method will commence shortly.

Rock sampling was also completed at a number of areas with highly anomalous results received post quarter. A total of 44 rock samples (22DR01-44) were collected.



Work included:

- Channel sampling across outcropping mineralised and /or altered exposures
- Sampling of newly identified shallow pits and old workings

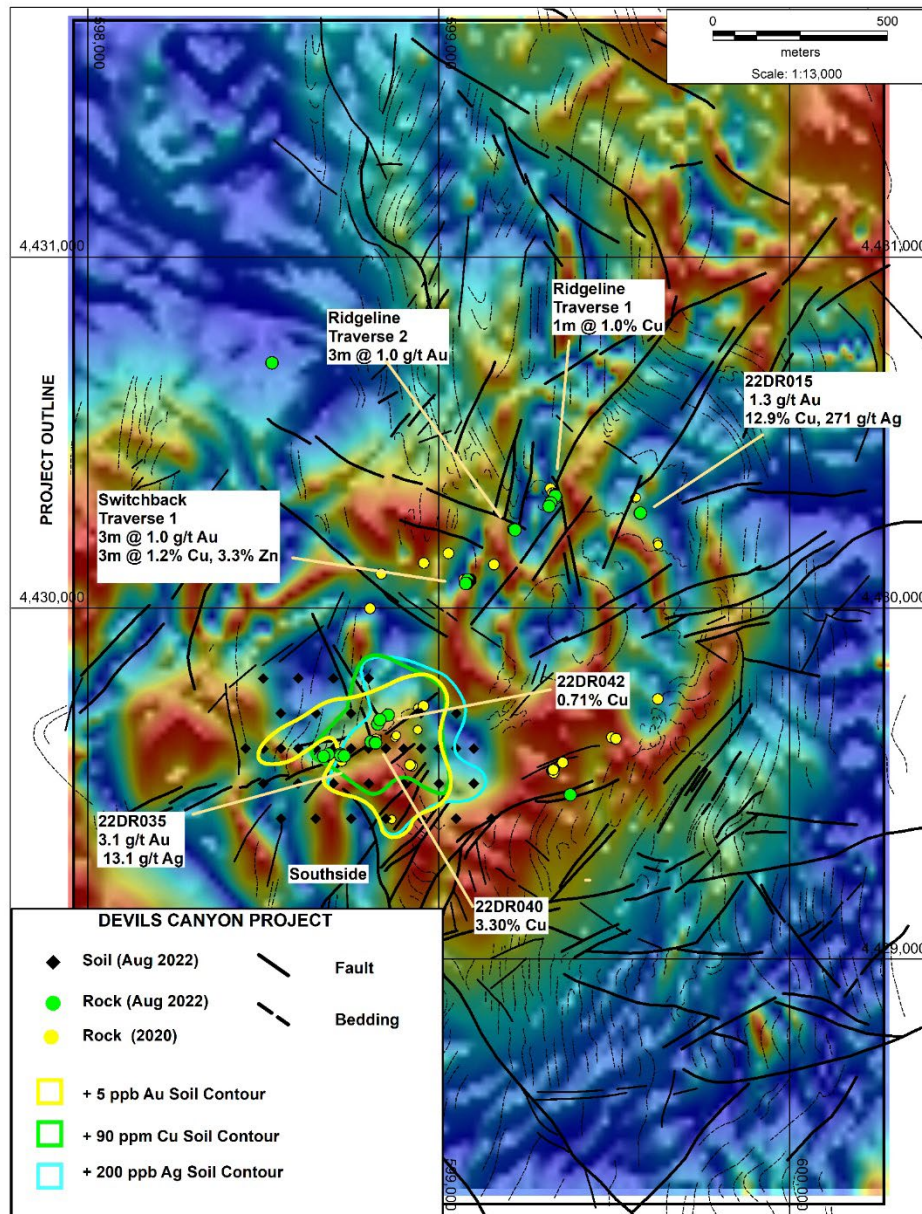


Figure 2 - Devils Canyon Project- Geochemical Sampling overlain on aeromagnetics.



Channel Sampling

A programme of continuous chip/channel sampling was completed at two prospect areas, Switchback and Ridgeline. The length of the sampling traverses were generally restricted to outcropping areas due to scree and rubble cover potentially masking extensions to the mineralised zones. As such, not all traverses could be sampled over the entire zone of interest.

At the Switchback Prospect, outcropping altered and mineralised zones above an old mechanical scrapping site was channel sampled (Figure 3). A tape measure and spray paint was used to mark out 1m sampling intervals on the ground. A sample was collected using a hand held hammer by collecting material continuously along the 1m interval so as to provide a representative samples as practical. Two traverses were completed across outcropping skarn proximal to the limestone-intrusive contact.

Traverse 1 comprised samples 22DR01-08 over a 8m width collected down a vertical exposure where copper oxide minerals and ex-sulphide textures were noted, above some historical mechanical scrapings.

Assay results show a multi-element base metal signature with zonation in Au, Cu, Ag and Zn as summarised below and shown in Figure 3:

Switchback Prospect- Traverse 1 - 599989m E, 4430080m N, elevation 2535-2526m

Interval	Sample	Result
2m to 5m	22DR03-05	3m @ 1.0 g/t Au
4m to 7m	22DR05-07	3m 1.2% Cu, 3.30% Zn

Calculated at +0.1 g/t Au, 0.1 % Cu, 0.1 %Zn, 0.5 g/t Ag



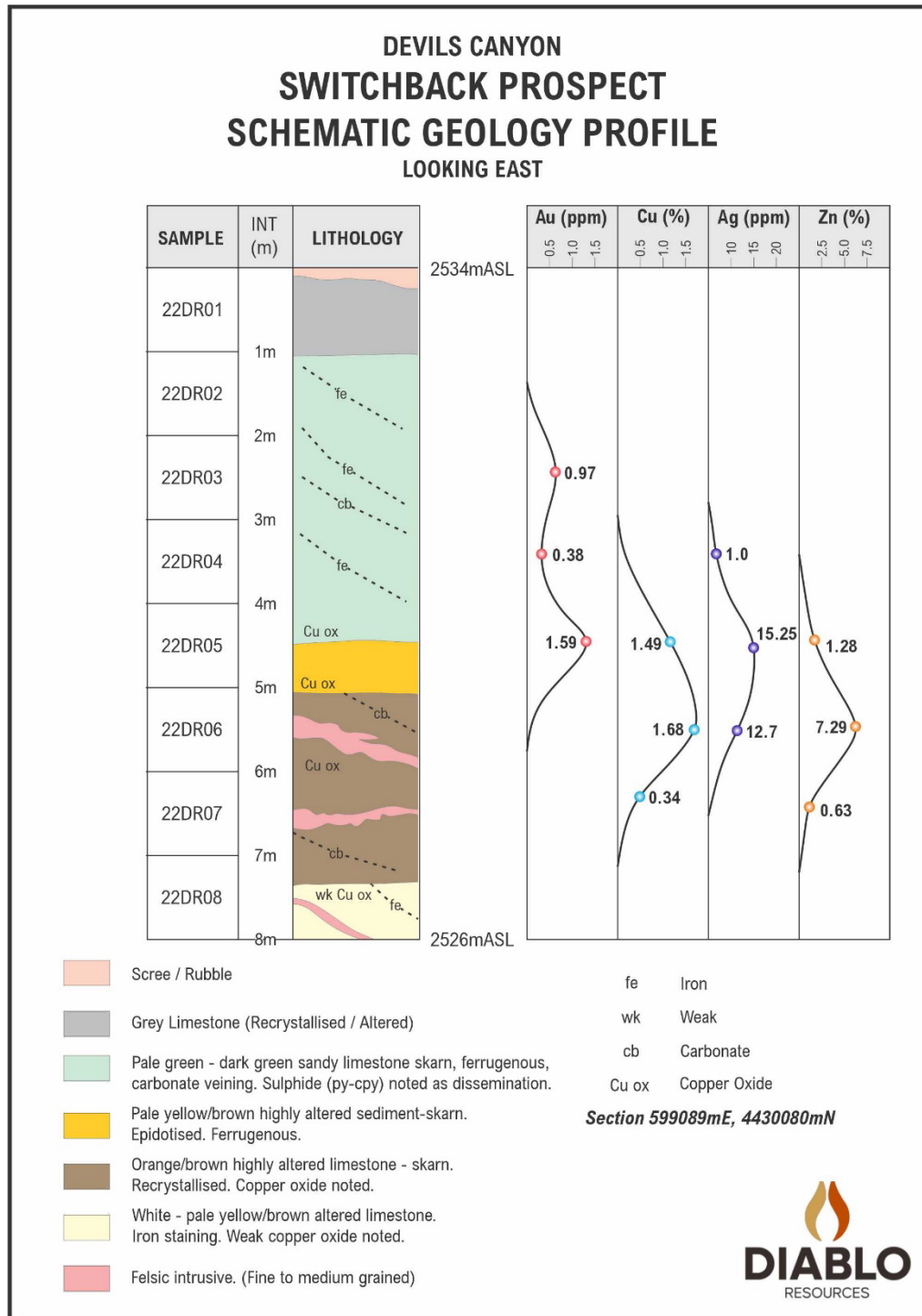


Figure 3 - Switchback Prospect- Traverse 1

At the Ridgeline Prospect, two traverses over outcropping skarn were completed some 150m apart along the western granite-limestone contact.

At the Ridgeline Traverse 1, a total of eight channel samples (22DR016-024) were collected above an historical mechanical scrapping. A peak result for 1m @ 1.04% Cu and 26.9 g/t Ag was recorded within a later shear zone transecting the intrusive-limestone contact, with the skarn itself returning broader lower level copper and (+500 ppm) silver (+ 1 g/t) values over 3m, open to the south.



At the second sampling area (Ridgeline Traverse 2), located 150m southeast, channel sampling (22DR27-32) recorded 3m @ 1.0 g/t Au within skarn proximal to the west dipping contact with the limestone. The mineralisation remains open due to soil cover (see Figure 4).

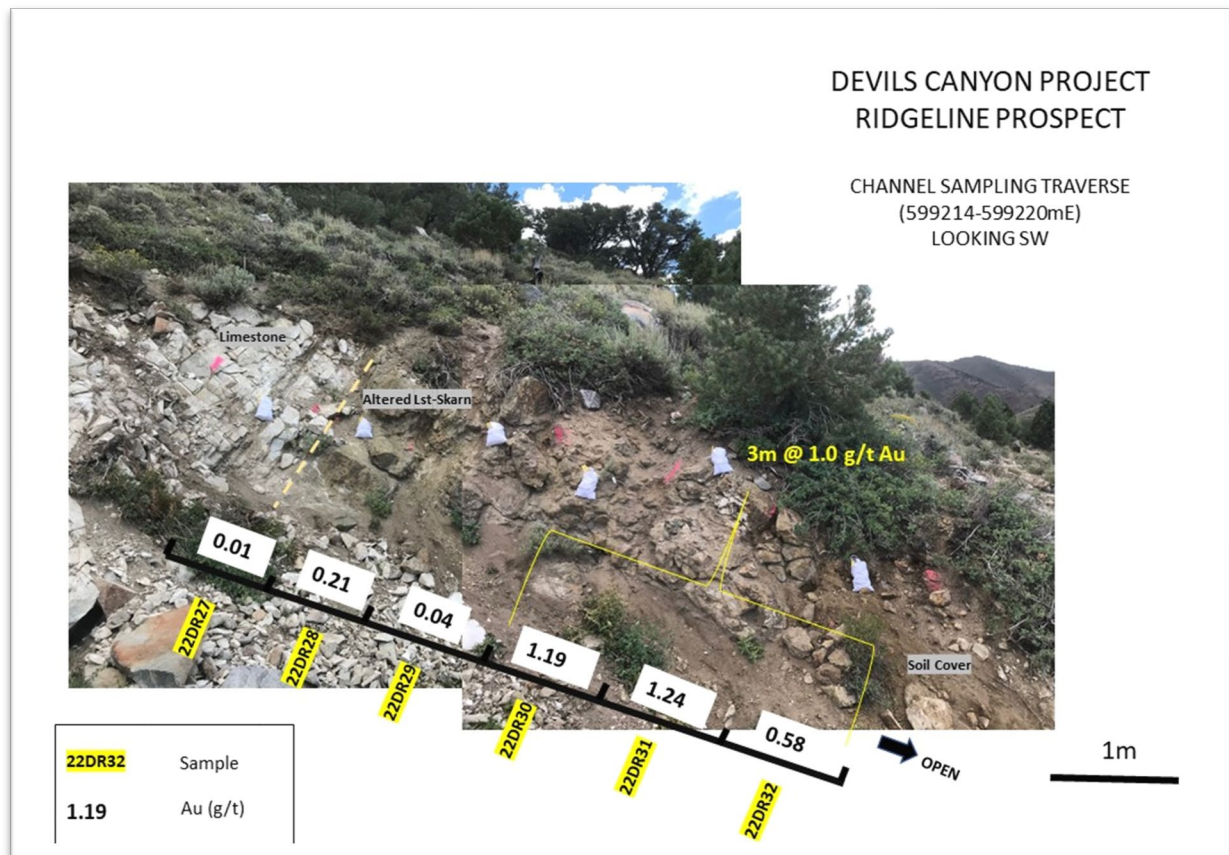


Figure 4 - Ridgeline Prospect - Traverse 2 (Gold g/t)

Reconnaissance Rock Sampling

Rock samples were collected in conjunction with the mapping programme at the project. A number of additional prospecting pits/scrapings as well as mineralised outcrop/sub-crop were located which had not been sampled by Hawkstone (HWK) in 2020⁷⁻¹⁰

Several rock samples returned highly anomalous multi-element results including:

- **12.9% Cu, 271 g/t Ag and 1.3 g/t Au** from a prospecting pit upslope from the Eastside Adits (22DR015)
- **Copper to 3.3% and gold to 3.1 g/t Au** from a number of samples collected at Southside. Several shallow pits were located upslope and along strike over the ridge from 2020 HWK sampling⁷⁻¹⁰ which returned Cu to 7.7% (sample DC27).
- Mineralised skarn traced for over 500m at Southside with anomalous copper recorded in several samples (Figure 5).



 <p>22DR15</p>	 <p>22DR35</p>
<p>12.9% Cu, 271 g/t Ag, 1.3 g/t Au Ferruginous Limestone/skarn</p>	<p>3.1 g/t Au, 0.1% Cu Ferruginous Shale/Sandstone</p>
 <p>22DR42</p>	 <p>22DR40</p>
<p>0.7% Cu Skarn</p>	<p>3.3% Cu, 170ppm Co Skarn</p>

Figure 5 - Selected reconnaissance rock samples

The Southside prospect area is considered a priority drill target, differing slightly from other prospective areas in mineralisation style and host rock sequence, where more sandy sediments and shales appear to be mineralised along with the limestone sequence.

Provisional approval was received from the BLM pertaining to the planned drilling at Devils Canyon, subject to a field inspection scheduled for October to determine if any potential archaeological or biological surveys are required prior to drilling.



WESTERN DESERT PROJECT

Detailed geological mapping has been completed over priority areas within the Western Desert project, namely the A3, A3N and Copper Blossom Prospects. The mapping, completed by an independent consultant has identified prospective structural trends in areas where anomalous geochemical results have been returned. The areas, most notably the A3N “Splay Zone” and the “Creek Fault” to the east of drill hole WD005²⁴ at the A3 prospect area are worthy of further work.

A geochemical sampling program was completed at the A3N Prospect where anomalous rock samples collected last Quarter assayed up to 0.9 g/t Au (See June 2022 Quarterly Report) with associated Carlin-style pathfinder element anomalism. A total of 108 soil samples were collected along a 100m x 50m grid over some 900m of strike, with results received post quarter. The majority of the area lies below transported cover of unknown depth, and as such samples were analysed using an ultra-sensitive sample analysis (Super Trace - ALS laboratories method ME-MS41L) with low detection limits aimed at detecting subtle bedrock geochemical anomalism beneath transported cover.

A low level gold anomaly associated with a structural target identified in the detailed mapping was identified, and is also proximal to the anomalous rock samples. Carlin style pathfinder elements including As, Sb, Ba, Hg and Tl also show a correlation to the “Splay Zone”, where north easterly trending faults intersect a northerly trending interpreted thrust fault (Figure 6).

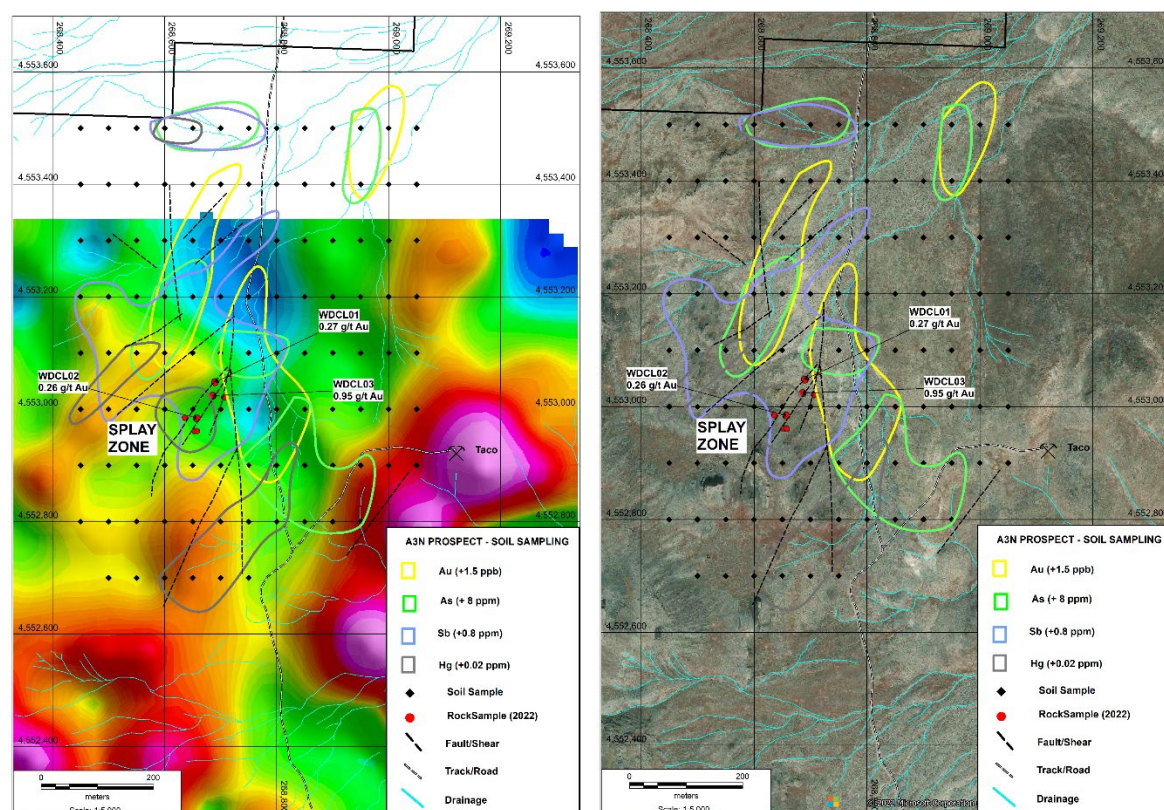


Figure 6 – A3N Soil Sampling results overlain on gravity (left) and satellite image(right). Anomalous samples were contoured on +25% quartile distribution.



Notably, the geochemical signature does not appear to have a correlation to elements including Ag, Cu and Pb which slightly differs from the geochemical signature seen in drill holes WD004 and WD005²⁴ drilled approximately 1.5km southwest of A3N.

The 'Splay Zone' target also appears to be related to a northerly trending gravity low, and, as such, it may represent a different part of the alteration system noted in the greater A3 Prospect area and is considered worthy of further work.

A total of 37 rock samples were also collected as part of the regional mapping programme at Western Desert, which were collected as random grab sampling whilst mapping was conducted. An historical shaft located to the east of drillhole WD004 which contained a north westerly trending quartz filled shear zone over 1-2m width in limestone. Two samples collected from this material returned 6.2% Cu with 24 g/t Ag and 2.12% Cu with 49 g/t Ag.

LONE PINE 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}

An initial drill program of 8 holes for 2,000m is planned for LPVS and the King Solomon Prospect (see Figure 7). Drilling will be HQ3 diamond core to allow a larger sample size, as historical drilling identified coarse gold in the mineralised zones¹³.



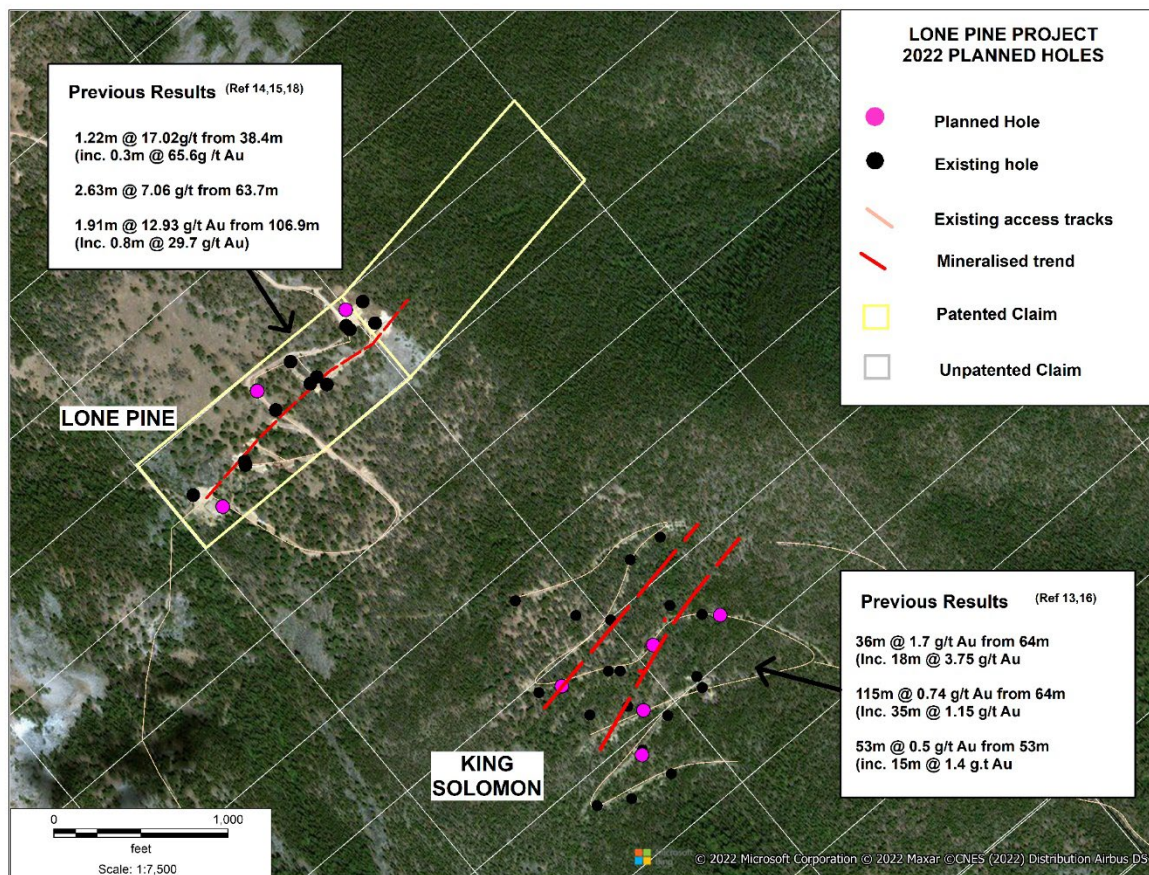


Figure 7- Lone Pine Gold Project- Overview Map showing prospects, previous drilling (Lone Pine – 2020 DDH, King Solomon 1990-92 RC) and planned drilling for 2022

The commencement of the planned drilling targeting the Lone Pine Vein Zone (LPVZ) was delayed during the quarter. On July 18, with pads and laydown area cleared and equipment mobilised in readiness for the drilling a wildfire (Moose Creek Fire) started some 10-15km north of the project area. Local authorities closed the main access roads to the project as part of a broader effort to contain the fire and keep the local community safe. The fire, which has grown considerably has burnt over 130, 000 acres to date including the project area, is yet to be fully contained.

All personnel and machinery were demobilised from site. The situation is being monitored and Diablo will follow advice from the authorities, resuming exploration when safe to do so.

The archaeological survey was completed at King Solomon by independent consultants prior to the fire, with the report now submitted to the USFS for review. This is the final requirement for the King Solomon Drilling Permit as required by the USFS.



FINANCIAL POSITION

The Company has \$3.5m 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.



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 in October 2021 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.
23. ASX Announcement Dec 9, 2021- Diablo Resources – Drilling commences at Western Desert Gold Copper Project
24. ASX Announcement May 5, 2022- Diablo Resources – Encouraging Results from Western Desert as wide zones intersected in first pass drilling.

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
ASX Announcement Dec 9, 2022- Diablo Resources – Drilling commences at Western Desert Gold Copper Project
25. ASX Announcement 6 June 2022- Diablo Resources – Exploration Update
26. ASX Announcement 4 August 2022- Diablo Resources – 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	695,000	95,086	A.
Exploration – Western Desert Project	720,000	720,000	1,511,765	B.
Exploration – Lone Pine Project	535,000	535,000	328,206	A.
Administration Costs	270,450	270,450	407,258	
Expenses of the Offer	559,100	559,100	594,508	
Total	2,779,550	2,220,450	2,936,822	

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.

