

QUARTERLY ACTIVITIES REPORT

DECEMBER 2022

HIGHLIGHTS

DEVILS CANYON GOLD/COPPER PROJECT – Nevada USA

- Detailed geological mapping coverage at Devils Canyon area was extended southwards, outlining targets for follow-up associated with structural and alteration features at Southside.
- No issues were identified during a site visit by BLM, part of the drill permitting process at Devil's Canyon. Drilling to commence as soon as access allows in 2023, targeting several areas including the Southside Prospect.

LONE PINE PROJECT – Idaho USA

- The drilling that was cancelled during the 2022 field season due to a large forest fire that burnt through the district is planned to commence in 2023 as soon as conditions allow.

CORPORATE

- Company continues to review additional project opportunities in line with corporate strategy

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.

Initial geological mapping over the project area by an experienced independent consultant geologist during the September Quarter was subsequently extended following the receipt of initial highly encouraging geochemical results, as reported last quarter. The mapping area was extended to the west and southwest of the area of anomalous soil and rock chip geochemistry at Southside.

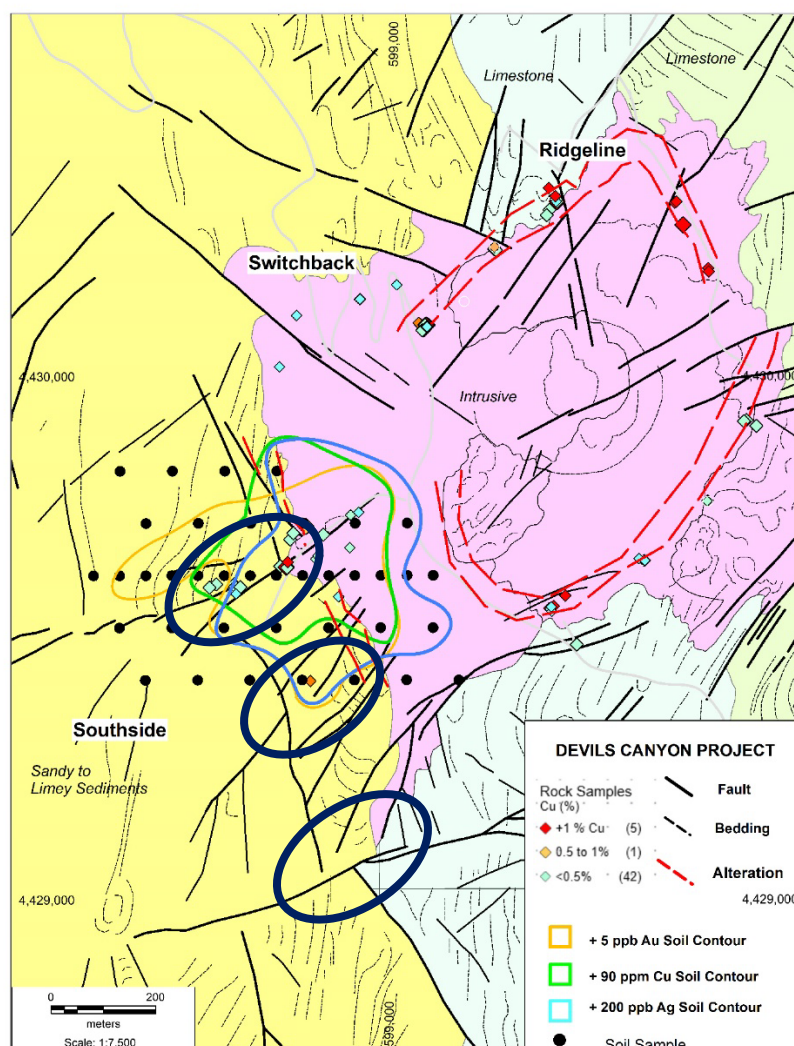


Figure 2- Simplified Geological Map- Devils Canyon Project. Target areas in blue.

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



Anomalous soil and rock sample geochemistry (Cu, Au, Ag), interpreted to be associated with intersecting structural trends, present as a priority target areas. Other areas where intersecting structures are proximal to the Tertiary Aged central intrusives remain to be tested with surface geochemical techniques.

As reported last quarter, provisional approval was received from the BLM pertaining to the planned drilling at Devils Canyon, subject to a field inspection which was completed during the December Quarter. DBO representatives met with BLM field officers on site to discuss the planned drilling. No issues or additional survey requirements were identified and drilling will commence as soon as access allows in 2023. Logistical provisions are progressing to secure contractors for the proposed programme with respect to drilling, earthmoving and water requirements.

The planned regional soil geochemical survey was delayed due to bad weather and will be completed as soon as possible.

LONE PINE PROJECT

The Lone Pine Project is highly prospective for gold and comprises two Patented Mining Claims and a further 268 BLM 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 LPVZ and the King Solomon Prospect (see Figure 3). Drilling will be HQ3 diamond core to allow a larger sample size, as historical drilling identified coarse gold in the mineralised zones¹³.



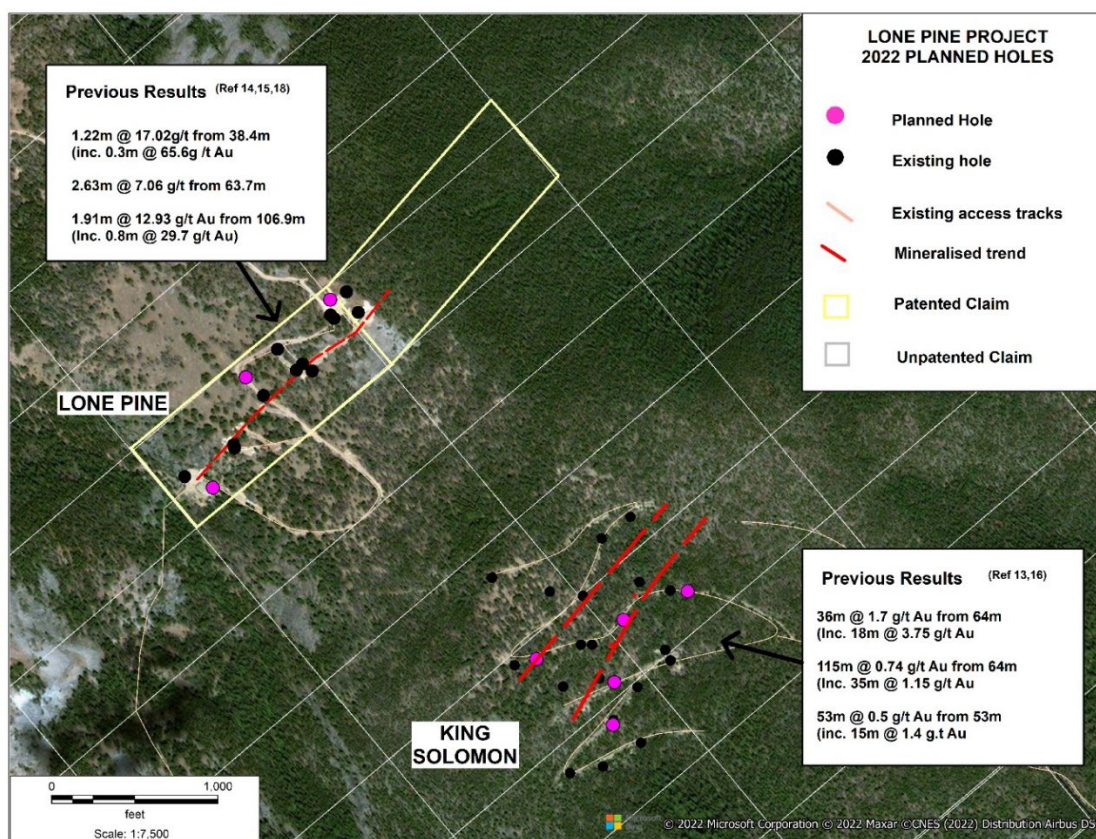


Figure 3- Lone Pine Gold Project- Overview Map showing prospects, previous drilling (Lone Pine – 2020 DDH, King Solomon 1990-92 RC) and planned drilling

Correspondence is ongoing with the USFS relating to the planned drilling and status of the required permitting at King Solomon for 2023. Drilling was postponed during the 2022 field season due to a large forest fire that closed the area.



FINANCIAL POSITION

The Company has \$3.06m 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://diablorresources.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 & 2)	Pro-rata (from date of IPO to current)	Actual Expenditure	Commentary
Exploration – Devil’s Canyon Project	1,935,000	1,005,000	262,686	A.
Exploration – Western Desert Project	2,000,000	1,040,000	1,570,507	B.
Exploration – Lone Pine Project	1,465,000	767,500	431,229	A.
Administration Costs	540,900	338,063	556,662	
Expenses of the Offer	559,100	559,100	594,508	
Total	6,500,000	3,709,663	3,415,592	

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.

