

QUARTERLY ACTIVITIES REPORT

JUNE 2023

HIGHLIGHTS

LONE PINE PROJECT – Idaho USA

- A 2,000m diamond drill program has commenced at the Lone Pine Gold Project.
- Drilling is planned at two priority areas:
 - **Lone Pine Vein Zone (LPVZ)** – to test downdip extensions of previous 2020 drill intercepts including: ^{14, 15, 18-19}
 - 1.22m @ 17.02 g/t Au from 38.43m, incl. 0.3m @ 65.6 g/t Au
 - 2.6m @ 7.06 g/t Au from 63.75m, incl. 1.4m @ 13.23 g/t Au
 - 1.9m @ 12.93 g/t Au from 107.54m, incl. 0.8m @ 29.7 g/t Au
 - **King Solomon Prospect** – to test historical drill intercepts including: ^{13,16}
 - 18m @ 3.75 g/t Au in a zone of 51m @ 1.70 g/t Au from 36m
 - 35m @ 1.15 g/t Au in a zone of 115m @ 0.4 g/t Au from 64m
 - 15m @ 1.40 g/t Au in a zone of 53m @ 0.5 g/t Au from 53m
- Mineralisation at both prospects open along strike and at depth.

DEVILS CANYON GOLD/COPPER PROJECT – Nevada USA

- The Company is sourcing a drilling contractor to complete a planned ~1000m drill program at several target areas. Drilling is scheduled for Mid- Q3 2023, subject to final contractor availability.

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

LONE PINE PROJECT

The Lone Pine Gold Project is located approximately 10km west of Salmon, Idaho, USA and consists of 2 patented claims and 268 unpatented claims for 21.8km² within the prospective Trans-Challis Fault system in Idaho ^{8-17, 19}.

The Project lies 6km east of Revival Gold's (RVG) Beartrack-Arnett Gold Mine, where an updated mineral resource contains a measured and indicated mineral resource totalling 86.2Mt at 0.87g/t gold (2.42Moz gold) and an inferred mineral resource of 50.7Mt at 1.34g/t gold (2.19Moz of gold)²⁰, for total resources of 4.61Moz of gold.

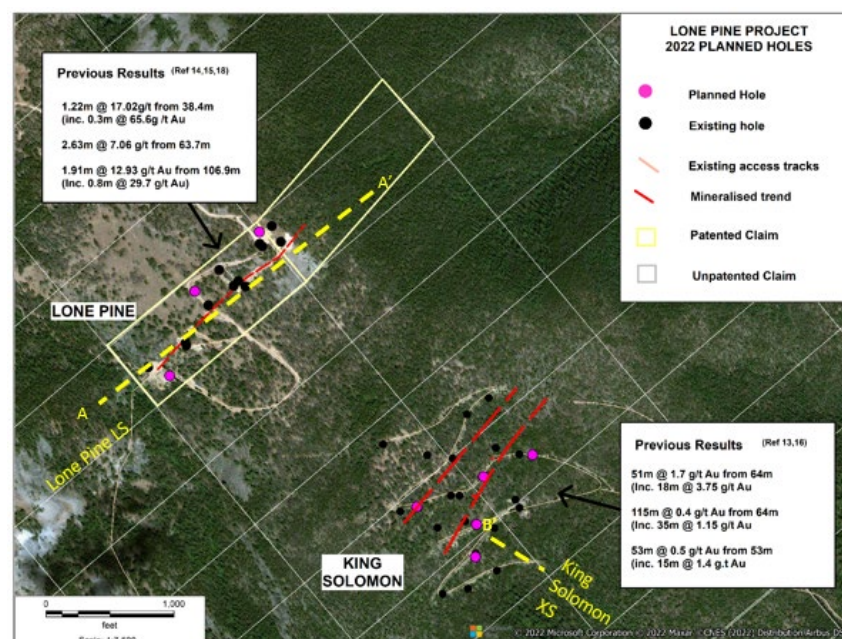


Figure 2- Location Map- Lone Pine Gold Project

²⁰ <https://revival-gold.com/beartrack-arnett-gold-project/>



PLANNED DRILLING

An approximate 2000m, eight (8) hole programme is planned for this field season at the LPVZ and King Solomon prospect areas. Titan Drilling Ltd from Elko, Nevada are the independent drilling contractors completing the DDH (HQ3) programme.

LONE PINE VEIN ZONE (LPVZ)

Very little exploration had been completed prior to the acquisition of the project by Hawkstone in 2020^{14-15, 18-19}. Hawkstone completed 11 DDH holes in 2020^{14-15, 18-19} over some 600m of strike with significant results returned from the steeply dipping, strike persistent high grade mineralised zone.

Gold mineralisation in the LPVZ is hosted by quartz-clay in a northeast-trending steeply 80° north - west dipping shear in a granite. The quartz vein zone has been outlined by adits and trenches for 600m, and has extends down dip for up to 150m. The zone is open to both the northeast and southwest as well as at depth.

Better drill results^{14-15, 18-19} are shown in Figure 3 and included:

- **1.22m @ 17.02 g/t Au in LPDD01 incl. 0.3m @65.6 g/t Au from 38.43m**
- **2.6m @ 7.06 g/t Au in LPDD07 incl. 1.4m @ 13.23 g/t Au from 63.75m**
- **1.9m @ 12.93 g/t Au in LPDD08 incl. 0.8m @ 29.7 g/t Au from 107.54m**

The LPVZ remains open in all directions, with drilling aimed to extend the known mineralisation at depth, below the old workings and previous drilling.

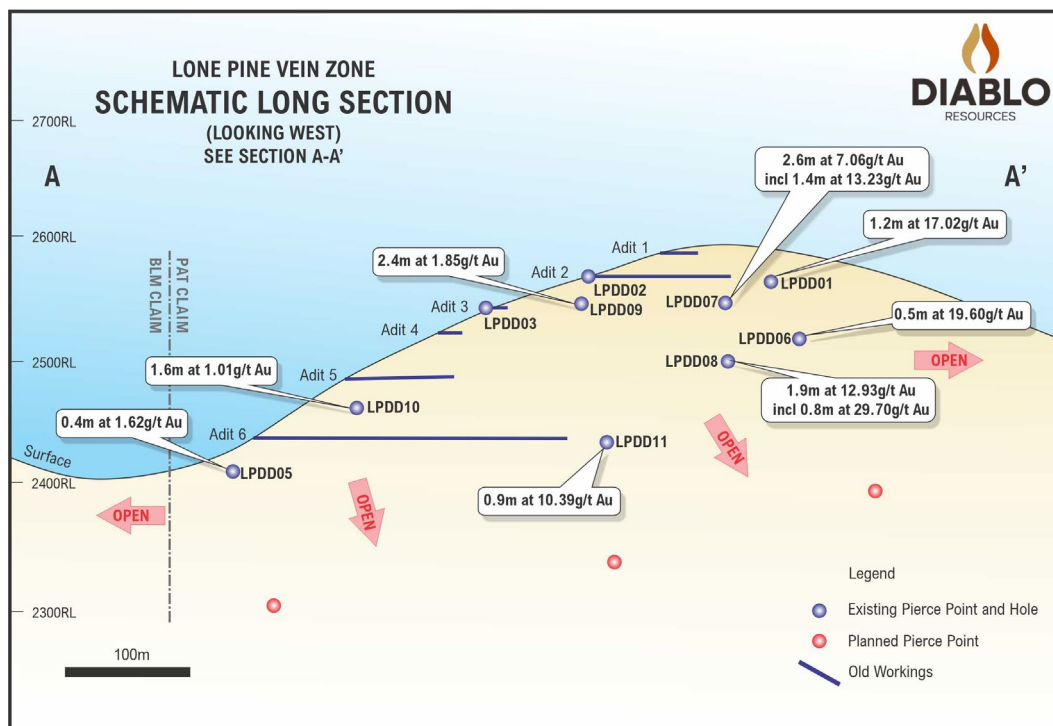


Figure 3 - LPVZ- Schematic Long Section (see figure 2 for location)



KING SOLOMON

Hawkstone acquired the King Solomon Project from Jervois Mining Ltd in mid-2020¹⁶.

No exploration appears to have been completed since the early-mid 1990's. Several companies completed various phases of exploration (17 drill holes, soil sampling, mapping of adits, trenching and magnetics) which returned significant results that are priority follow-up drill targets, including^{13,16}:

- **18m @ 3.75 g/t Au in a zone of 51m @ 1.70 g/t Au from 36m**
- **35m @ 1.15 g/t Au in a zone of 115m @ 0.4 g/t Au from 64m**
- **15m @ 1.40 g/t Au in a zone of 53m @ 0.5 g/t Au from 53m**

The King Solomon Project host numerous shallow pits and three adits, which were re-opened, sampled and mapped in the 1990's but are now inaccessible. The mineralisation encountered at King Solomon differs to the LPVZ, being defined as broad stockwork quartz veining in sericite-chlorite-tourmaline alteration zones in both granite and along sediment contacts.

First pass drilling in 1990 (6 holes) was subsequently found to have been drilled oblique to the mineralised zones, and several significant broad intercepts were returned from the second round of drilling completed in 1992 targeting a newly interpreted northeast trend¹⁶.

These results have never been followed up, with the King Solomon mineralised zone open in all directions (Figure 4).

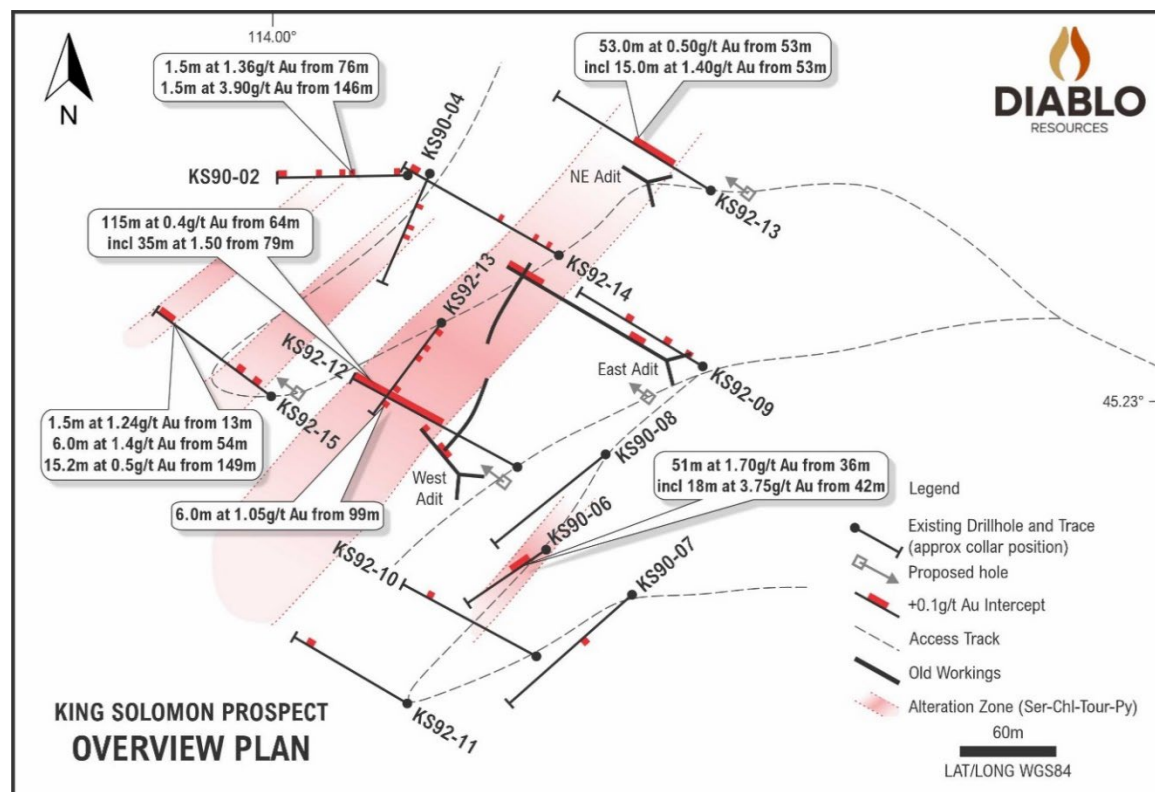


Figure 4- King Solomon Prospect- Collar Plan and results from historical drilling



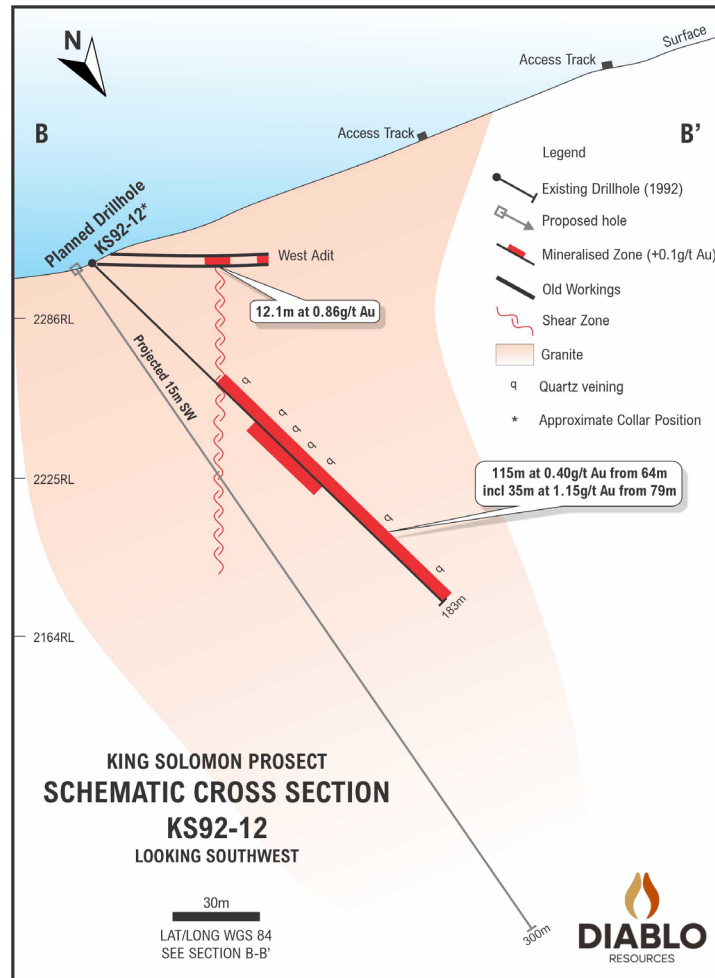


Figure 5- King Solomon Project- Cross Section. (see Figure 2 & 4 for location)

As the program progresses the Company will update the market on the drilling and potential assay turnaround times.

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.

The Company is sourcing a drilling contractor to complete a planned ~1000m drill program at several target areas. All permitting is in place with the BLM with earthmovers and other logistical contractors having been secured.

Timing is scheduled for Mid-Q3 2023, subject to final contractor availability. The Company will provide a more detailed update once contractor confirmation and scheduling is finalised.



WESTERN DESERT GOLD-COPPER PROJECT

The Company completed 5 DDH holes for 1084m in 2022 at Western Desert in Utah. Broad intervals of anomalous Ag were recorded at the A3 and Copper Blossom Prospects in core drilling together with indications of Carlin Style alteration and brecciation.

A total of 34 pulp samples from the 2022 core drilling at Western Desert were re-submitted for multi-element analysis to ALS laboratories in Elko during the Quarter.

No anomalous results were recorded, and the Company will now prioritise funds towards the Lone Pine and Devils Canyon Projects where more prospective targets require exploration and drilling.

As such, no further work is planned at the project at this time.

PROPOSED TIMELINE (Q2-Q3, 2023)

Project	June	July	August	September
Lone Pine - Site Preparation				
Lone Pine - Drilling				
Devils Canyon - Site Preparation				
Devils Canyon - Drilling				

FINANCIAL POSITION

The Company has \$2.53 million 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.

The announcement has been authorised for release by the Board.

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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

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.
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
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 identify further mineralised zones.
21. Diablo Resources Prospectus, <https://diabloresources.com.au/>
22. ASX Announcement Nov 22 , 2021- Diablo Resources Ltd- Exploration Update
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.
25. ASX Announcement 6 June 2022- Diablo Resources – Exploration Update
26. ASX Announcement 2 August 2022- Diablo Resources – Exploration Update



- 27. ASX Announcement 12th October 2022- Highly Encouraging Results, Devils Canyon & Wester Desert Projects
- 28. ASX Announcement 6 June 2023- Diablo Resources – Exploration Update
- 29. ASX Announcement- 22 June 2023- Diablo Resources- Drilling Commences at Lone Pine



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	1,625,000	338,006	A.
Exploration – Western Desert Project	2,000,000	1,680,000	1,572,776	B.
Exploration – Lone Pine Project	1,465,000	1,232,500	592,666	A.
Administration Costs	540,900	473,288	720,342	
Expenses of the Offer	559,100	559,100	594,508	
Total	6,500,000	5,569,888	3,818,297	

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 lower than budgeted as results from exploration undertaken to date have not been sufficiently positive to warrant further expenditure.

