



SABLE RESOURCES LTD.

**Consolidated Financial Statements
For the years ended December 31, 2024 and 2023**



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Independent Auditor's Report

To the Shareholders of Sable Resources Ltd.

Opinion

We have audited the consolidated financial statements of Sable Resources Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended and notes to the consolidated financial statements (the "financial statements"), including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively "IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicate that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable. As at December 31, 2024, the Company reported a negative operating cash flow of \$6,173,130 and has an accumulated deficit of \$65,884,669 as at that date. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.



Accounting for and Assessed Fair Value of Deferred Exploration Recovery

Description of the key audit matter

The Company's earn-in agreement (the "EIA") with South32 Limited ("South32") is complex and requires management to apply judgment when determining the appropriate accounting and estimation when assessing the recognition of amounts received from South32 and fair value measurement of the reported financial liability. We have therefore considered this a Key Audit Matter due to the judgment and estimation involved in both the accounting and periodic measurement of the financial liability.

Please refer to Note 4(b) which details the critical judgments and estimates used in assessing the accounting treatment and measurement for deferred exploration recoveries, and Note 18 which includes information on the EIA and amounts recognized in the financial statements in the year under audit.

How the key audit matter was addressed in the audit

Our approach in addressing this matter included the following procedures, among others:

- Obtaining and examining management's assessment of the appropriate accounting, recognition and measurement of deferred exploration recovery;
- Assessing the agreement in place between the Company and South32, including any amendments to the agreement since the original was executed;
- Analyzing the accounting treatment of contributions from South32 with respect to analogous IFRS Accounting Standards to assess whether the asserted presentation and classification is appropriate;
- Involving valuation professionals with specialized skills and knowledge in evaluating the appropriateness of management's assertions with respect to the measurement approach; and
- Assessing the adequacy of the disclosures in the financial statements, including disclosures related to significant judgments and estimates.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis (the "MD&A").

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the MD&A prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Rob Scupham.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 22, 2025

SABLE RESOURCES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)



	Note	December 31 2024	December 31 2023
Assets			
Current assets			
Cash and cash equivalents	5	\$ 9,095,198	\$ 12,017,794
Receivables	6	110,708	15,512
Prepaid expenses and deposits		418,007	130,221
		9,623,913	12,163,527
Equipment and right of use asset	7	198,176	286,495
Mineral property interests	8	2,169,098	1,626,164
		\$ 11,991,187	\$ 14,076,186
Liabilities			
Current liabilities			
Payables and accruals	9,14	\$ 707,701	\$ 587,745
Lease liability		26,810	31,228
Deferred exploration recovery	18	18,699,712	13,607,661
		19,434,223	14,226,634
Lease liability		-	26,810
		19,434,223	14,253,444
Shareholders' equity			
Issued capital	10	55,176,701	55,125,701
Accumulated other comprehensive loss		(1,899,078)	(748,422)
Contributed surplus	10	5,164,010	5,083,830
Deficit		(65,884,669)	(59,638,367)
		(7,443,036)	(177,258)
		\$ 11,991,187	\$ 14,076,186

Nature of operations and going concern (Note 1)
Commitments (Note 19)
Subsequent events (Note 20)

APPROVED ON BEHALF OF THE BOARD:

Signed: "Ruben Padilla"

Ruben Padilla
Chief Executive Officer and Director

Signed: "Mary Little"

Mary Little
Director

The accompanying notes are an integral part of these consolidated financial statements.

SABLE RESOURCES LTD.**Consolidated Statements of Net Loss and Net Comprehensive Loss**

(Expressed in Canadian Dollars)



Year ended December 31,	Note	2024	2023
Property related expenses			
Exploration expenditures		\$ 4,100,823	\$ 10,740,699
General and administrative expenses	13	2,126,185	1,868,210
Property investigation and evaluation	13	145,961	132,908
Share-based expense	10	106,180	144,300
		6,479,149	12,886,117
Other expenses (income)			
Abandonment and impairment of mineral property assets	8	125,000	3,994,461
Reversal of aged accruals		(119,643)	-
Provision for value-added tax receivable	6	511,111	1,892,783
Interest income		(401,597)	(939,506)
Foreign exchange		3,451	73,173
Gain on use of marketable securities	15	(351,169)	(3,685,375)
Net loss		\$ 6,246,302	\$ 14,221,653
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation adjustment		1,150,656	(282,058)
Other comprehensive loss (gain)		1,150,656	(282,058)
Net comprehensive loss		\$ 7,396,958	\$ 13,939,595
Loss per share			
Basic and diluted		\$ (0.04)	\$ (0.05)
Weighted average number of common shares outstanding		286,855,857	286,515,583

The accompanying notes are an integral part of these financial statements

SABLE RESOURCES LTD.**Consolidated Statements of Changes in Shareholders' Equity**

(Expressed in Canadian Dollars)



	Note	Number of Shares	Issued Capital	Accumulated Other Comprehensive Loss	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2022		286,364,898	\$ 55,113,701	\$ (1,030,480)	\$ 4,939,530	\$ (45,416,714)	\$ 13,606,037
Net loss		-	-	-	-	(14,221,653)	(14,221,653)
Other comprehensive loss		-	-	282,058	-	-	282,058
Shares issued in acquisition of claims	8,10	200,000	12,000	-	-	-	12,000
Share-based expense	10	-	-	-	144,300	-	144,300
Balance, December 31, 2023		286,564,898	\$ 55,125,701	\$ (748,422)	\$ 5,083,830	\$ (59,638,367)	\$ (177,258)
Net loss		-	-	-	-	(6,246,302)	(6,246,302)
Other comprehensive loss		-	-	(1,150,656)	-	-	(1,150,656)
Shares issued in acquisition of claims	8,10	500,000	25,000	-	-	-	25,000
Exercise of RSU's	10	433,332	26,000	-	(26,000)	-	-
Share-based expense	10	-	-	-	106,180	-	106,180
Balance, December 31, 2024		287,498,230	\$ 55,176,701	\$ (1,899,078)	\$ 5,164,010	\$ (65,884,669)	\$ (7,443,036)

The accompanying notes are an integral part of these consolidated financial statements.

SABLE RESOURCES LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)



Year ended December 31,	Note	2024	2023
Operating Activities			
Net loss		\$ (6,246,302)	\$ (14,221,653)
Items not involving cash:			
Amortization	7	105,018	104,819
Share-based expense	10,14	106,180	144,300
Provision for value-added tax receivable	6	511,111	1,892,783
Abandonment and impairment of mineral property assets		125,000	3,994,461
Reversal of aged accruals		(119,643)	-
		(5,518,636)	(8,085,290)
Changes in non-cash working capital			
Receivables		(606,307)	(1,886,314)
Prepaid expenses and deposits		(287,786)	(4,418)
Payables and accruals		239,599	(416,327)
Total cash flows used in operating activities		(6,173,130)	(10,392,349)
Financing Activities			
Principal payments on lease liability		(31,228)	(30,238)
Total cash flows used in by financing activities		(31,228)	(30,238)
Investing Activities			
Purchase of equipment		-	(6,035)
Acquisition of mineral claims	8	(482,942)	(548,879)
Proceeds from deferred exploration recovery	18	3,708,418	5,506,737
Total cash flows from investing activities		3,225,476	4,951,823
Effect of foreign exchange on cash		56,286	336,196
Decrease in cash and cash equivalents		(2,922,596)	(5,134,568)
Cash and cash equivalents, beginning of period		12,017,794	17,152,362
Cash and cash equivalents, end of period		\$ 9,095,198	\$ 12,017,794
Supplemental cash flow information:			
Shares issued in acquisition of mineral claims	8,10	\$ 25,000	\$ 12,000
Marketable securities received for deferred exploration costs	18	1,777,770	3,495,155

The accompanying notes are an integral part of these consolidated financial statements.



1. NATURE OF OPERATIONS AND GOING CONCERN

Sable Resources Ltd. ("Sable" or the "Company") is incorporated under the Business Corporation Act (British Columbia). The Company is engaged in the acquisition, exploration and development of mineral resource properties in Argentina and Canada. The address of the Company's corporate office and principal place of business is Suite 900, 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2. The Company's shares are listed on the TSX Venture Exchange ("TSXV") and on the OTC Venture Market (OTCQB) under the symbols SAE and SBLRF, respectively.

The Company has not yet determined whether any of its properties contain mineral deposits that are economically recoverable. The recoverability of any amounts shown as mineral property interests is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and future profitable production or proceeds from the disposition of its properties. There is no assurance that the Company's funding initiatives will continue to be successful. The underlying value of the mineral properties is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of mineral property interests.

While the Company's consolidated financial statements have been prepared using International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively "IFRS Accounting Standards") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, certain conditions and events indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. For the year ended December 31, 2024, the Company reported negative operating cash flow of \$6,173,130 and, as of that date, had an accumulated deficit of \$65,884,669.

The Company's continuing operations and its ability to discharge its liabilities and fulfill its commitments as they come due, is dependent upon the ability of the Company to continue to obtain debt or equity financing in the short term, the continued investment by project partners, the continued support of related parties, and ultimately, on locating economically recoverable ore reserves in its mineral properties. Management believes the Company will be successful at securing additional funding, however, there is no assurance that such plans will be successful.

If the Company is unable to obtain adequate additional financing and the continued support of related parties, the Company will be required to curtail exploration activities. Furthermore, failure to continue as a going concern would require restatement of assets and liabilities on a liquidation basis, which would differ significantly from the going concern basis.

These consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on April 22, 2024.



2. BASIS OF PRESENTATION

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. These consolidated financial statements represent the Company's presentation of its results and financial position under IFRS Accounting Standards. These accounting policies are based on the IFRS Accounting Standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that the Company expects to be applicable at that time. The policies set out below were consistently applied to all presented unless otherwise noted.

b) Basis of Measurement

These consolidated financial statements were prepared on an accrual basis, are based on historical costs except for financial instruments measured at fair value and are presented in Canadian dollars, which is the functional currency of the Company's Canadian entity. The functional currency of the Company's foreign subsidiaries is US dollars.

c) Subsidiaries

Subsidiaries are all corporations over which the Company has control. Control is achieved when the Company has power over the investee, is exposed or has right to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

These consolidated financial statements for the years ended December 31, 2024 and 2023 include the financial position, financial performance and cash flows of the Company and its subsidiaries detailed below:

Name	Location	Ownership	Status	Functional Currency
Sable Resources Ltd.	Canada	Parent	Consolidated	CAD
Exploraciones Sable, S.A. de R.L. de C.V.	Mexico	100%	Consolidated	USD
Exploraciones Tres Cordilleras, S.A. de C.V.	Mexico	100%	Consolidated	USD
Exploraciones Catalinas, S.A. de C.V.	Mexico	100%	Consolidated	USD
Exploraciones Vientos de Sur, S.A. de C.V.	Mexico	100%	Consolidated	USD
Sable Argentina S.A.	Argentina	100%	Consolidated	USD
Olivares S.A. (Note 18)	Argentina	100%	Consolidated	USD



3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Cash and Cash Equivalents

Cash and cash equivalents include cash, short term deposits with financial institutions, and highly liquid investments that can be readily converted to specified amounts of cash within 90 days or less without significant change in value.

b) Mineral Property Interests

Direct costs related to the acquisition of mineral properties are capitalized until the commercial viability of the asset is established. All direct costs including option payments related to the acquisition of mineral property interests are capitalized into mineral property interests on a property by property basis. Exploration and evaluation expenditures are expensed in the period incurred until such time as it has been determined that a property has economically recoverable reserves. In which case, subsequent exploration costs and the costs incurred to develop a property are capitalized into "mineral properties". Mineral property interests are recorded at cost less accumulated impairment losses. To the extent that the expenditures are spent to establish ore reserves within the rights to explore, the Company expenses those costs as property-related expenses.

Management reviews the facts and circumstances suggesting if the carrying amount of the mineral property interests capitalized exceeds their recoverable amount on a regular basis. If the facts and circumstances suggest the carrying value exceeds the recoverable amount, the Company will perform an impairment test on each property in accordance with the provisions of IAS 36. Exploration stage assets and development stage assets are considered separate cash-generating units ("CGU") for impairment testing purposes.

c) Equipment and the Right of Use Asset

Equipment is recorded at cost less accumulated amortization and any impairment losses. Equipment includes in its purchase price, any costs directly attributable to bringing equipment to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with dismantling and removing the asset. Upon sale or abandonment of any equipment, the cost and related accumulated amortization and impairment losses, are written off and any gains or losses thereon are included in the consolidated statement of net loss and comprehensive loss.

The carrying amounts of equipment are amortized on a straight-line basis over its estimated useful life. When parts of an item of equipment have different useful lives, they are accounted for as separate items (or components).

- Equipment: 5-year basis
- Right of use assets: 6-year basis (determined by lease term)



3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Amortization methods and useful lives are reviewed at each annual reporting date and adjusted as appropriate. Amortization is expensed through the consolidated statement of net loss and comprehensive loss.

d) Impairment of Non-Financial Assets

An impairment loss is recognized when the carrying amount of an asset, or its CGU, exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of net loss and comprehensive loss. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognized.

e) Taxes

Income Taxes

Income taxes comprises both current and deferred tax. Income tax is recognized in the statement of net loss and comprehensive loss except to the extent that it relates to items recognized in other comprehensive loss or directly in equity, in which case the income tax is also recognized in other comprehensive loss or directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Income Taxes

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured, without discounting, at the tax rates that are expected to apply when the assets are recovered and the liabilities settled, based on tax rates that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.



3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Mining taxes and royalties are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax. This is the case when they are imposed under government authority and the amount payable is calculated by reference to revenue derived (net of any allowable deductions) after adjustment for items comprising temporary differences.

f) Financial Instruments

Financial instruments are recognized on the consolidated statements of financial position on the date on which the Company becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial instruments in the categories below.

Financial Assets

Financial Assets at Amortized Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets measured at amortized cost are initially recognized at fair value plus or minus transaction costs, respectfully, and subsequently carried at amortized cost less any impairment.

Financial Assets at Fair Value through Other Comprehensive loss ("FVTOCI")

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership. Gains and losses on derecognition are generally recognized in the consolidated statements of net loss.

Financial Liabilities

Financial Liabilities at Amortized Cost

Financial liabilities are measured at amortized cost using the effective interest method, unless they are required to be measured at FVTPL, or the Company has opted to measure them at FVTPL. Payables and accruals are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.



3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Financial Liabilities and Equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

h) Share-based Payments

The Company issues equity instruments such as common shares, share options and warrants, for services rendered by employees and non-employees.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the statement of comprehensive loss over the vesting period, described at the period during which all the vesting conditions are satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the good or services received in the statement of comprehensive loss unless they are related to the issuance of shares.

Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All exercisable equity settled share-based payments are reflected in contributed surplus until exercised, the amount reflected in contributed surplus is credited to share capital along with the consideration paid for those shares. Where the terms and conditions of equity settled share-based payments are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is charged to the statement of comprehensive loss over the remaining vesting period.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

Where equity instruments are granted in connection with the acquisition of mineral property interests, they are recorded at the fair value of the property received. Where the fair value of the mineral property interest is not reliably determinable, the fair value of the equity instrument granted is applied instead.



4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND UNCERTAINTIES

a) Critical Accounting Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

Share-based payments

The Company applies the Black-Scholes pricing model to estimate the fair value of stock options granted and warrants issued, which is expensed to the statement of net loss and comprehensive loss over each option award's vesting period. Under this model, the Company must estimate the term, volatility, the forfeiture rate of options granted, and warrants issued. Changes in these input assumptions can significantly affect the fair value estimate.

b) Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Impairment of mineral property interests

The Company reviews and evaluates mineral property interests for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. An impairment test is conducted if an indication of impairment is found to exist.

Recoverability of value-added tax receivables

The Company reviews and evaluates assumptions regarding the recoverability of value-added tax ("VAT") receivables in Argentina and Mexico at the end of each reporting period considering the relevant facts and circumstances, including past collectability and the general economic environment of the country to determine if a provision for the VAT receivable is required. As the amount receivable depends on performance by the government in Mexico and Argentina, including the Mexican properties moving into commercial production, the timing and amount of collection for the VAT receivables may be materially different from the amount recorded in the consolidated financial statements.



4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND UNCERTAINTIES (continued)

Deferred exploration recoveries

Management considered the facts and circumstances surrounding the receipt of the deferred exploration recovery (Note 18) in determining that it represents a liability to the Company. The payment represents a portion of the funding that will form the consideration for South32 Aluminum (Holdings) Pty Limited's ("South32") investment in Olivares S.A. ("Olivares"), should South32 exercise its right to acquire a 65% direct interest in Olivares. In management's view, as the Company continues to operate the Don Julio Project, this payment for the future sale of a controlling interest in Olivares is considered to be a present obligation of the Company. The deferred exploration recovery liability has been initially recorded and measured at fair value based on the cash contributions received from South32 at the year end. Subsequent to initial measurement, the liability is measured at fair with any changes in value recognized through the statement of net loss and comprehensive loss. The fair value of the liability has been assessed as of December 31, 2024 and management has determined that the fair value is equal to the cash contributions received from South32. Although South32 has earned the right to acquire a 65% interest in Olivares, the option is not considered substantive under IFRS 10, as it has not yet been exercised, no economic discovery has been made, and substantial funding commitments remain. As such, control remains with Sable

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit with major Canadian, Argentinian and Mexican banks in general interest-bearing accounts totaling \$9,095,198 (December 31, 2023 - \$12,017,794).

Cash and cash equivalents include:

- \$40,000 (December 31, 2023 - \$40,000) one-year cashable guaranteed investment certificate (GIC) held with the Royal Bank of Canada with an interest rate of 2.25% and maturing on July 9, 2025.
- \$3,500,000 (December 31, 2023 - \$nil) one year prime linked cashable GIC held with the Royal Bank of Canada which matured on January 31, 2025.

6. RECEIVABLES

	December 31, 2024	December 31, 2023
Receivables	\$ 71,394	\$ -
Goods and services tax	39,314	15,512
Value added tax	1,714,580	1,429,556
Less: Provision for value added tax	(1,714,580)	(1,429,556)
	\$ 110,708	\$ 15,512

The VAT receivables include \$1,587,106 or ARS 1,137,247,996 equivalent (December 31, 2023 - \$1,290,961 or ARS 789,133,812 equivalent) due from the Argentinian tax authorities, and \$127,474 or MXN 1,848,268 equivalent (December 31, 2023 - \$138,595 or MXN 1,778,720 equivalent) due from the Mexican tax authorities.



6. RECEIVABLES (continued)

The Company has deemed the collection of the VAT receivables in both Argentina and Mexico to be uncertain. As such, as of December 31, 2024, the Company records a provision for its outstanding VAT receivable balances.

For the year ended December 31, 2024, a provision for VAT of \$511,111 (December 31, 2023 - \$1,892,783) has been recognized in the consolidated statement of net loss and comprehensive loss.

British Columbia Mineral Exploration Tax Credit

As at December 31, 2024, the Company expects to receive \$179,173 (December 31, 2023 - \$nil) related to the British Columbia mineral exploration tax credit. The Company has elected to record this refund upon receipt, given the uncertainty of timing of receipt, results of the standard review process by CRA, and no prior history of collection.

7. EQUIPMENT AND RIGHT OF USE ASSET

	Equipment		Right-of-Use Asset		Total
Cost					
Balance at December 31, 2022	\$	370,320	\$	187,599	\$ 557,919
Additions		6,035		-	6,035
Currency translation adjustment		(8,695)		-	(8,695)
Balance at December 31, 2023	\$	367,660	\$	187,599	\$ 555,259
Currency translation adjustment		32,330		-	32,330
Balance at December 31, 2024	\$	399,990	\$	187,599	\$ 587,589
Accumulated amortization					
Balance at December 31, 2022	\$	60,497	\$	105,825	\$ 166,322
Amortization		75,958		28,861	104,819
Currency translation adjustment		(2,377)		-	(2,377)
Balance at December 31, 2023	\$	134,078	\$	134,686	\$ 268,764
Amortization		76,157		28,861	105,018
Currency translation adjustment		15,631		-	15,631
Balance at December 31, 2024	\$	225,866	\$	163,547	\$ 389,413
Net book value at:					
December 31, 2023				\$	286,495
December 31, 2024				\$	198,176

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8. MINERAL PROPERTY INTERESTS

Year ended December 31, 2024:

Project	January 1, 2024	Additions	Abandonment and impairment	Currency Translation Adjustment	December 31, 2024
Argentina					
Don Julio	\$1,036,322	\$270,780	\$ -	\$108,125	\$1,415,227
El Fierro	589,842	71,945	-	51,867	713,654
British Columbia					
Perk Rocky	-	125,000	(125,000)	-	-
Copper Queen	-	26,483	-	-	26,483
BC Regional	-	13,734	-	-	13,734
	\$1,626,164	\$507,942	\$ (125,000)	\$159,992	\$2,169,098

Year ended December 31, 2023:

Project	January 1, 2023	Additions	Abandonment and impairment	Currency Translation Adjustment	December 31, 2023
Argentina					
Don Julio	\$ 778,347	\$276,520	\$ -	\$(18,545)	\$1,036,322
El Fierro	591,267	178,551	(165,325)	(14,651)	589,842
La Poncha	82,601	105,808	(186,470)	(1,939)	-
Mexico					
Bluejoint	3,655,351	-	(3,642,666)	(12,685)	-
	\$5,107,566	\$560,879	\$(3,994,461)	\$ (47,820)	\$1,626,164

Argentina

a) Don Julio and Don Julio Regional Project

On December 6, 2017, the Company entered into an agreement to acquire up to a 100% interest in the Don Julio project and the Don Julio Regional Project (collectively, "Don Julio") located in San Juan Province, Argentina, subject to a 2% net smelter royalty, of which one half may be purchased by the Company for US\$2,500,000 anytime after 12 months from which commercial production has been declared for any part of Don Julio. This was subsequently amended on June 1, 2020, whereby the remaining 1% net smelter royalty can be purchased by the Company for US\$5,000,000. On March 31, 2023, the Company completed its purchase of a 50% interest in the Don Julio project through the cumulative issuance of 1,200,000 common shares and payments of \$804,748 or US\$600,000 equivalent since entering into the agreement in 2017.



8. MINERAL PROPERTY INTERESTS (continued)

To earn an additional 10% for a 60% ownership in Don Julio:

- Make a payment of US\$200,000 prior to April 1, 2024 (\$270,780 or US\$200,000 equivalent paid during the year ended December 31, 2024); and
- Issue 500,000 common shares and make a payment of US\$220,000, adjusted for the USA Consumer Price Index ("CPI") between April 1, 2024 and April 1, 2025, prior to April 1, 2025 (paid subsequent to December 31, 2024).

To earn an additional 10% for a 70% ownership in Don Julio:

- Make a payment of US\$240,000, adjusted for CPI between April 1, 2024 and April 1, 2026, prior to April 1, 2026;
- Make a payment of US\$450,000, adjusted for CPI between April 1, 2024 and April 1, 2027, prior to April 1, 2027; and
- Issue 800,000 common shares and make a payment of US\$450,000, adjusted by the US inflation rate between April 1, 2024 and April 1, 2028, prior to April 1, 2028.

To earn an additional 30% for a 100% ownership in Don Julio:

- Issue 1,000,000 common shares and make payment of US\$1,900,000, adjusted for CPI between April 1, 2026 and April 1, 2029, prior to April 1, 2029.

b) El Fierro Project

On February 25, 2020, the Company entered into option agreements to acquire a 100% interest in the El Fierro project ("El Fierro") located in San Juan Province, Argentina. To earn a 100% interest in El Fierro, the Company must:

- Make payment of US\$30,000 on the signing of the agreement (\$40,365 or US\$30,000 equivalent paid during the year ended December 31, 2020);
- Make payment of US\$70,000 prior to March 1, 2021 (\$88,291 or US\$70,000 equivalent paid during the year ended December 31, 2021);
- Make payment of US\$150,000 prior to March 1, 2022 (\$205,605 or US\$150,000 equivalent paid during the year ended December 31, 2022);
- Make payment of US\$100,000 prior to March 1, 2023 (\$132,260 or US\$100,000 equivalent paid during the year ended December 31, 2023);
- Make payment of US\$50,000 prior to December 20, 2024 (\$71,945 or US\$50,000 equivalent paid during the year ended December 31, 2024);
- Make payment of US\$100,000 prior to August 31, 2025;
- Make payment of US\$150,000 prior to December 31, 2025; and
- Make payment of US\$560,000 prior to March 30, 2026.



8. MINERAL PROPERTY INTERESTS (continued)

On September 17, 2020, the Company entered into an option agreement to acquire 100% interest in the Laspina project ("Laspina") located next to El Fierro in San Juan Province, Argentina. This project is considered part of the El Fierro project. During the year ended December 31, 2023, the Company completed its purchase of Laspina through cumulative payments of \$105,158 or US\$81,000 equivalent since entering into the option agreement in 2020.

On October 1, 2020, the Company entered into an option agreement to acquire a 100% interest in the El Fierrazo project ("El Fierrazo") located next to El Fierro in San Juan Province, Argentina. This project is considered part of the El Fierro project. To earn a 51% interest in El Fierrazo, the Company must:

- Make payment of US\$20,000 on the signing of the agreement (\$26,266 or US\$20,000 equivalent paid during year ended December 31, 2020);
- Make payment of US\$40,000 prior to October 1, 2021 (\$51,025 or US\$40,000 equivalent paid during the year ended December 31, 2021); and
- Make payment of US\$80,000 prior to October 1, 2022 (\$109,656 or US\$80,000 equivalent paid during the year ended December 31, 2022).
- Upon the Company entering into an agreement with another party to obtain financing for the direct purpose of exploring El Fierrazo ("Exploration Financing"):
 - Make payment of US\$40,000 prior to the three month anniversary of the exploration financing;
 - Make payment of US\$60,000 prior to the first anniversary of the exploration financing;
 - Make payment of US\$80,000 prior to the second anniversary of the exploration financing;
 - Make payment of US\$100,000 prior to the third anniversary of the exploration financing; and
 - Make payment of US\$220,000 prior to the fourth anniversary of the exploration financing.

To earn additional interest in El Fierrazo up to 100%, the Company must make payment of US\$900,000 before the fifth anniversary of the exploration financing. There is a 1.5% net smelter royalty on El Fierrazo, which may be purchased by the Company for US\$5,000,000.

c) La Poncha Project

On July 17, 2020, the Company entered into a Letter of Intent ("LOI") to acquire a 100% interest in the La Poncha project ("La Poncha") located in San Juan Province, Argentina. On March 15, 2021, the Company exercised its right under the letter of intent to enter into an option agreement for La Poncha. During the year ended December 31, 2023, the Company terminated the option agreement.



8. MINERAL PROPERTY INTERESTS (continued)

Canada

a) Perk Rocky

On May 14, 2024, the Company entered into an option agreement for the Perk Rocky property, which provided the Company with an option to acquire 100% of the Perk Rocky mineral claims (the “Perk Rocky property”). During the year ended December 31, 2024, the company made payment of \$100,000 and issued 500,000 common shares upon signing (\$100,000 was paid and 500,000 common shares valued at \$25,000 were issued). On November 20, 2024, the Company provided a 30 day notice of termination of the Perk Rocky option agreement.

Mexico

b) BlueJoint Mineral Applications and Titles

On January 29, 2018, the Company acquired various mineral titles and mineral title applications in Mexico in connection with the acquisition of BlueJoint. These applications and titles contain exploration targets consistent to the Company’s exploration methodology.

During the year ended December 31, 2023, the Company terminated its mining titles in Mexico. While the Company will continue to hold its mineral title applications, it was determined that further exploration and evaluation expenditures are no longer planned in the near term and that the carrying amount of this asset is unlikely to be recovered from a sale of asset at the current time. As a result of this and the termination of mineral titles, this asset was impaired to zero on December 31, 2023.

9. PAYABLES AND ACCRUALS

	December 31, 2024	December 31, 2023
Trade payables	\$ 218,030	\$ 220,509
Accruals and other	489,671	367,236
	\$ 707,701	\$ 587,745



10. ISSUED CAPITAL AND CONTRIBUTED SURPLUS

a) Issued Capital

The Company is authorized to issue an unlimited number of common shares.

During the year ended December 31, 2024:

- On June 11, 2024, the Company issued 500,000 common shares at a price of \$0.05 per common share, the fair value of the common shares on grant date, for a gross value of \$25,000 in connection with the Perk Rocky project (Note 8).

During the year ended December 31, 2023:

- On March 31, 2023, the Company issued 200,000 common shares at a price of \$0.06 per common share, the fair value of the common shares on grant date, for a gross value of \$12,000 in connection with the Don Julio project (Note 8).

b) Stock Options

The Board of Directors of the Company adopted a stock option plan (the "Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with regulatory policies. The option exercise price is decided by the Board of Directors but may not be less than the discounted market price of the Company's shares in accordance with regulatory requirements.

	Number of stock options	Weighted average exercise price
Balance at December 31, 2022	21,785,000	\$ 0.18
Options issued	3,900,000	0.07
Options cancelled	(600,000)	(0.25)
Options expired	(2,875,000)	(0.25)
Balance at December 31, 2023	22,210,000	\$ 0.15
Options issued	3,450,000	0.05
Options cancelled	(530,000)	(0.18)
Options expired	(2,600,000)	(0.17)
Balance at December 31, 2024	22,530,000	\$ 0.13



10. ISSUED CAPITAL AND CONTRIBUTED SURPLUS (continued)

b) Stock Options (continued)

During the year ended December 31, 2024:

- On September 24, 2024, the Company granted an aggregate of 3,450,000 options to purchase common shares of the Company exercisable at a price of \$0.05 per common share for a period of five years to certain directors, officers, and consultants. The fair value of the 3,450,000 options was estimated at \$79,350 using the Black Sholes option pricing model with the following assumptions: dividend yield 0%, risk free interest 3.34%; volatility 73% and an expected life of five years.

During the year ended December 31, 2023:

- On December 19, 2023, the Company granted an aggregate of 3,900,000 options to purchase common shares of the Company exercisable at a price of \$0.07 per common share for a period of five years to certain directors, officers, and consultants. The fair value of the 3,900,000 options was estimated at \$144,300 using the Black Sholes option pricing model with the following assumptions: dividend yield 0%, risk free interest 4.65%; volatility 75% and an expected life of five years.

As at December 31, 2024, the following stock options were outstanding and exercisable:

Expiry date	Number of options outstanding	Number of stock options vested	Weighted average exercise price	Weighted average number of years to expiry
March 11, 2025	1,300,000	1,300,000	0.10	0.19
May 13, 2025	1,350,000	1,350,000	0.10	0.36
September 5, 2025	1,810,000	1,810,000	0.10	0.68
September 5, 2025	1,290,000	1,290,000	0.20	0.68
September 5, 2025	1,510,000	1,510,000	0.25	0.68
September 5, 2025	1,925,000	1,925,000	0.07	0.68
October 1, 2025	2,180,000	2,180,000	0.20	0.75
October 14, 2026	2,540,000	2,540,000	0.25	1.79
November 25, 2027	3,200,000	3,200,000	0.10	2.90
December 19, 2028	1,975,000	1,975,000	0.07	3.97
September 24, 2029	3,450,000	3,450,000	0.05	4.73
Balance at December 31, 2024	22,530,000	22,530,000	\$ 0.13	1.99



10. ISSUED CAPITAL AND CONTRIBUTED SURPLUS (continued)

c) Restricted share units

The Restricted Share Unit Plan ("RSU Plan") provides for the grant of restricted share units (each, an "RSU") convertible into a maximum number of common shares equal to ten percent (10%) of the number of common shares then issued and outstanding, provided, however, the number of common shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security based compensation arrangements of the Company shall, in the aggregate, not exceed ten percent (10%) of the number of common shares then issued and outstanding. Any common shares subject to a RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available under the RSU Plan. When vested, each RSU entitles the holder to receive, subject to adjustments as provided for in the RSU Plan, one common share or payment in cash for the equivalent thereof based on the volume weighted average trading price of the common shares on the five trading days immediately preceding the redemption date. The terms and conditions of vesting (if applicable) of each grant are determined by the Board at the time of the grant, subject to the terms of the RSU Plan. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals. Any such performance incentives or long term performance goals are subject to determination by the Board and specified in the award agreement.

The following table summarizes changes in the number of RSUs outstanding:

	Number of RSU's	Weighted average fair value	
Balance at December 31, 2023	1,300,000	\$	0.06
Units exercised	(433,332)		0.06
Balance at December 31, 2024	866,668	\$	0.06

During the year ended December 31, 2023:

- On December 19, 2023, the Company granted an aggregate of 1,300,000 RSU's to certain officers. These RSU's vest in tranches of one-third over three years. The fair value of the 1,300,000 RSU's was estimated at \$78,000 using a share price of \$0.06.



10. ISSUED CAPITAL AND CONTRIBUTED SURPLUS (continued)

d) Share purchase warrants

Share purchase warrants enable the holders to acquire common shares of the Company upon exercise. Continuity of share purchase warrants issued and outstanding:

	Number of warrants	Weighted average exercise price
Balance at December 31, 2022	31,424,492	\$ 0.20
Share warrants expired	(31,424,492)	(0.20)
Balance at December 31, 2023	-	\$ -
Balance at December 31, 2024	-	\$ -

11. TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	December 31, 2024	December 31, 2023
Net loss before taxes	\$ (6,246,302)	\$ (14,221,651)
Canadian federal and provincial income tax rates	27.00%	27.00%
Income tax expense (recovery) based on above rates	(1,686,501)	(3,839,845)
Increase(decrease) due to:		
Non-deductible expenses	(601,920)	(2,996,216)
Difference between Canadian and Foreign tax rates	(163,997)	(176,572)
Impact of under (over) provision from prior year	830,995	4,675,770
Change in foreign tax rate	-	627,590
Change in unrecognized deductible temporary differences	1,699,384	1,717,094
Other	(77,962)	(7,820)
	\$ -	\$ -



11. TAXES (continued)

The significant components of the Company's unrecognized deferred tax assets / (liabilities) are as follows:

	December 31, 2024	December 31, 2023
Property, plant and equipment	\$ 22,000	\$ 31,000
Mineral property interest	8,422,000	5,330,000
Share issuance costs	62,000	174,000
Capital losses	2,226,000	651,000
Non-capital losses available for future periods	8,836,000	11,681,000
Liabilities	(3,000)	-
Total deferred income tax assets	19,565,000	17,867,000
Unrecognized deferred tax assets	(19,565,000)	(17,867,000)
Net deferred tax assets	\$ -	\$ -

In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those deferred tax assets are deductible.

Tax losses carried forward are as follows:

	December 31, 2024	December 31, 2023	Expiry date range
Canada	\$ 22,803,000	\$ 20,357,000	2025 to 2044
Argentina	7,694,000	23,390,000	2027 to 2029
Mexico	2,517,000	1,123,000	2031 to 2034
	\$ 33,014,000	\$ 44,870,000	

The deferred tax assets related to the temporary differences were not recognized, as its recoverability was not considered to be probable.

The Company has capital losses of \$16,487,793 (December 31, 2023 - \$4,822,504) which can be carried forward indefinitely and applied against capital gains.

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(Expressed in Canadian Dollars)

**12. FINANCIAL INSTRUMENTS**

Financial assets and liabilities as at December 31, 2024 and 2023 are as follows:

	Fair value through other comprehensive income	Amortized cost	Other financial liabilities	Total
As at December 31, 2024				
Cash and cash equivalents	\$ -	\$ 9,095,198	\$ -	\$ 9,095,198
Receivables	-	71,394	-	71,394
Payables and accruals	-	707,701	-	707,701
Lease liability	-	-	26,810	26,810
Deferred exploration recovery	18,699,712	-	-	18,699,712
As at December 31, 2023				
Cash and cash equivalents	\$ -	\$ 12,017,794	\$ -	\$ 12,017,794
Payables and accruals	-	587,745	-	587,745
Lease liability	-	-	58,038	58,038
Deferred exploration recovery	13,607,661	-	-	13,607,661

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly; and
- Level 3 – Inputs for assets or liabilities that are not based on observable market data.

SABLE RESOURCES LTD.**Notes to the Consolidated Financial Statements**
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The Company considers itself to operate in a single operating segment, being resource exploration and development. It holds mineral interests in Argentina and Canada.

<u>Year ended December 31, 2024</u>	<u>Canada</u>	<u>Mexico</u>	<u>Argentina</u>	<u>Total</u>
Exploration expenditures	\$ 742,570	\$ -	\$ 3,358,253	\$ 4,100,823
General and administrative expenses	1,533,057	55,812	537,316	2,126,185
Property investigation and evaluation	145,961	-	-	145,961
<u>As at December 31, 2024</u>				
Total assets	\$ 9,186,499	\$ 17,393	\$ 2,787,295	\$ 11,991,187
Total liabilities	265,790	9,103	19,159,330	19,434,223
<u>Year ended December 31, 2023</u>	<u>Canada</u>	<u>Mexico</u>	<u>Argentina</u>	<u>Total</u>
Exploration expenditures	\$ -	\$ 188,833	\$ 10,551,866	\$ 10,740,699
General and administrative expenses	1,401,297	32,268	434,645	1,868,210
Property investigation and evaluation	132,908	-	-	132,908
<u>As at December 31, 2023</u>				
Total assets	\$ 11,849,880	\$ 2,239	\$ 2,224,067	\$ 14,076,186
Total liabilities	393,855	4,218	13,855,371	14,253,444

During the year ended December 31, 2024, the Company incurred employee compensation and consultant costs in the amount of \$601,876 and \$2,322,137 (December 31, 2023: \$489,928 and \$3,516,562), respectively. These are recognized in exploration expenditures and general and administrative expenses.

SABLE RESOURCES LTD.**Notes to the Consolidated Financial Statements**
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The following is a summary of the Company's related party transactions during the years ended December 31, 2024 and 2023:

- The Company incurred exploration costs in the amount of \$2,650 (December 31, 2023 - \$5,241) paid to Talisker Exploration Services Ltd., a private company with shared directors and officers. Included in payables is \$2,783 (December 31, 2024 - \$nil).
- The Company incurred exploration costs in the amount of \$3,342 (December 31, 2023 - \$nil) paid to Talisker Resources Ltd., a public company with shared directors and officers.
- The Company incurred general and administrative expenses in the amount of \$8,100 (December 31, 2023 - \$17,824) paid to JDS Energy & Mining Inc., a private company with a shared director.

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the years ended December 31, 2024 and 2023 were as follows:

	2024		2023	
Salaries and director fees	\$	1,226,717	\$	990,643
Share based expense		104,958		142,450
	\$	1,331,675	\$	1,133,093

As at December 31, 2024, an amount of \$3,032 (December 31, 2023 - \$56,569) due to key management personnel, was included in payables and accruals. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

15. USE OF MARKETABLE SECURITIES

From time to time, the Company may acquire and transfer marketable securities to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiaries.

The Company does not acquire marketable securities or engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well established companies, with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable.

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**15. USE OF MARKETABLE SECURITIES (continued)**

As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments, between acquisition and disposition, are recognized through profit or loss. The Company conducts such transactions on an intra-period basis and does not hold the equity instruments at period end.

As a result of having utilized this mechanism for intragroup funding for the year ended December 31, 2024, the Company realized a net favourable foreign currency impact gain of \$351,169 (December 31, 2023: \$3,685,375). This gain includes a net favourable foreign currency impact gain of \$305,046 (December 31, 2023: \$2,766,205) realized from payments in kind received from South32 (Note 18).

16. CAPITAL MANAGEMENT

The Company's capital management objectives are to raise the necessary equity financing to fund its exploration projects and mining activities and to manage the equity funds raised to best optimize its exploration programs in the interests of its shareholders and other stakeholders at an acceptable risk. The Company manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may raise additional equity funds and acquire new exploration properties as circumstances dictate.

In the management of capital, the Company includes shareholders' equity and cash and cash equivalents in the definition of capital.

17. FINANCIAL RISK FACTORS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no material changes in the risks, objectives, policies and procedures from the previous period.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents. Management believes that the credit risk concentration with respect to the cash and cash equivalents is minimal as its funds are held in several major Canadian, Mexican, and Argentinian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

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**17. FINANCIAL RISK FACTORS (continued)**

As at December 31, 2024, the Company had a cash and cash equivalents balance of \$9,095,198 (December 31, 2023 - \$12,017,794) to settle current liabilities (excluding deferred exploration recovery, a non-monetary liability, see Note 20) of \$524,876 (December 31, 2023 - \$618,973).

Market risk**a) Interest rate risk**

The Company has significant cash balances. The Company's current policy is to invest excess cash in high-yield savings accounts or other highly liquid interest-bearing short-term investments. Management has determined interest rate risk to be low.

b) Foreign currency risk

The Company's reporting currency is the Canadian dollar. The functional currency of the Company is the Canadian dollar. The Company is exposed to foreign currency risk on fluctuations related to cash, payables and accruals that are denominated in US dollars, Argentine Peso and the Mexican Peso.

Based on the foreign currency balances at December 31, 2024, a 10% change in foreign exchange rates between the Canadian dollar and these foreign currencies over the next year would affect net comprehensive loss by approximately \$20,745. This analysis only addresses the impact on financial instruments with respect to currency movement and excludes other economic or geo-political implications of such currency fluctuation. In practice, actual results will likely differ from this analysis and the difference may be material.

c) Commodities price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

SABLE RESOURCES LTD.

Notes to the Consolidated Financial Statements For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)



18. DEFERRED EXPLORATION RECOVERY

On January 28, 2021, the Company and its wholly-owned subsidiary Olivares signed an earn-in agreement with South32 (the "EIA"), to jointly explore Don Julio.

Earn-in Agreement

The EIA grants South32 the right to acquire 65% of the shares of Olivares by providing US\$8.5 million in exploration funding over a period of five years (the "EIA Period") and assuming responsibility for paying 100% of the cash option payments due to the underlying owners of Don Julio during the EIA Period. At South32's election, the EIA Period can be extended by one year to a total period of six years in consideration for South32 providing an additional US\$1.5 million in exploration funding. The Company will operate all exploration programs during the EIA Period and will receive a 7.5% operator fee on all qualifying exploration expenditures. Pursuant to the terms of the EIA, to maintain the option to acquire a 100% interest in Don Julio in good standing, the Company retains the obligation to issue shares to the underlying owners. In the event that South32 terminates the EIA, and Olivares subsequently recovers or obtains any VAT, Sable must pay to South32 an amount equal to the amount of such recovered VAT.

On February 24, 2023, the Company signed an addendum to the EIA whereby 35% of any excess contributions above US\$8.5 million over five years or US\$10 million over six years made by South32 during the EIA period can be used as a credit by South32 for their portion of the first approved program and budget of the Joint Venture Period. The credit has a maximum value of US\$1.75 million (Note 19).

During the year ended December 31, 2024, Olivares received payments of \$3,708,418 or US\$2,707,270 equivalent (December 31, 2023: \$5,506,737 or US\$4,307,378 equivalent). Included in these payments were \$1,777,770 or US\$1,297,832 equivalent (December 31, 2023: \$3,495,155 or US\$2,642,639 equivalent) that were received in kind through the use of marketable securities (Note 15). These marketable securities were converted into cash upon receipt.

As at December 31, 2024, South32 invested a total of \$18,699,712 or US\$12,995,839 equivalent (December 31, 2023: \$13,607,661 or US\$10,288,569 equivalent). These payments have been deferred as a liability and represent a portion of the funding that will form the consideration for South32's investment in Olivares, should South32 exercise its right to acquire a 65% direct interest in Olivares as discussed above.

During the year ended December 31, 2023, South32 completed its requirement of providing US\$8.5 million in exploration funding required over a five year period. South32 now has the right to acquire 65% of the shares of Olivares, and therefore the deferred liability representing the funding that will form consideration for South32's investment in Olivares has been classified as a current liability.

Shareholders' Agreement

On satisfying the exploration funding and cash option payment requirements under the EIA, South32 can elect to subscribe for 65% of the shares of Olivares. The Company, Olivares and South32 would then enter into a Shareholders' Agreement, on terms agreed and appended to the EIA.

SABLE RESOURCES LTD.**Notes to the Consolidated Financial Statements**
For the years ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)**18. DEFERRED EXPLORATION RECOVERY (continued)**

During the period governed by the Shareholders' Agreement (the "Joint Venture Period"), Sable and South32 will contribute their proportionate share of further exploration and development expenditures or dilute on a straight-line basis. Other key terms of the Shareholders' Agreement include:

- If South32 elects not to contribute to the first approved program and budget of the Joint Venture Period (which budget must be a minimum of US\$4,000,000), then its interest in Olivares will be immediately reduced to 49%, with Sable's interest immediately increasing to 51%;
- At any time, South32 may elect to sole fund a Preliminary Economic Assessment ("PEA") in exchange for an additional 10% interest in Olivares, such PEA to be delivered within five years of South32's election;
- The Shareholder with the larger interest in Olivares will have the right to act as operator either directly or through an affiliate;
- For as long as South32 continues to hold the larger interest in Olivares, South32 will have the right to appoint an affiliate to act as the worldwide marketing and distribution agent for product produced;
- In the event that Sable or South32 dilute below a 10% interest in Olivares, then the non-diluted party is entitled to buy out the diluted party's participating interest; and
- At any time, should the surrender or abandonment of part of the Don Julio project be authorized by Olivares, each shareholder will have the right to elect to take an assignment of the surrendered or abandoned portion, subject to any prior rights of third parties.

19. COMMITMENTS

Based on the terms of the EIA (Note 18), should South32 exercise its right to subscribe for 65% of the shares of Olivares, the Company would be required to contribute on South32's behalf to the first approved program and budget of the Joint Venture period an amount equal to 35% of any excess contributions above US\$8.5 million over five years or US\$10 million over six years. The credit has a maximum value of US\$1.75 million. Should the Company elect not to make these contributions on South32's behalf, then the amount would be deemed to be credited to South32 and the Company's interest in Olivares would be diluted as such on a straight line basis. As of December 31 2024, this contribution on South32's behalf would be \$1,941,858 or US\$1,349,544 equivalent.



20. SUBSEQUENT EVENTS

Letter Agreement for the El Fierro Project and Cerro Negro Property

On February 26, 2025, the Company and its wholly owned subsidiary Sable Argentina S.A. ("Sable Argentina") signed a binding letter agreement (the "Letter Agreement") with Moxico Resources plc, an unlisted UK public company ("Moxico") granting Moxico an exclusive option to acquire 51% of the Company's El Fierro Project and Cerro-Negro Property, subject to certain exploration and expenditure terms as more fully described below (the "Option Transaction").

The Letter Agreement grants Moxico an option to earn up to 51% of the El Fierro Project by completing the following within a five-year period: (1) 20,000 metres of drilling, with a minimum of 1,600 metres in the first year; (2) the payment of US\$1,540,000 worth of property option payments; and (3) the payment of US\$600,000, payable to Sable in annual amounts of US\$150,000 commencing in year two.

As regards the Cerro-Negro Property, the Letter Agreement provides for Moxico to earn up to 51% by completing the following within a six year period: (1) expenditure of US\$550,000 in the first year to conduct exploration activities in advance of drilling; (2) completion of 20,000 metres of drilling (diamond or core) over six years; and (3) the payment of US\$750,000, payable to Sable in annual amounts of US\$150,000 commencing in year two.

The Letter Agreement also provides for Moxico to earn up to 70% (an additional 19%) in either or both projects by completing a feasibility study on, as applicable, the El Fierro Project and/or the Cerro Negro Property. Unless Moxico elects otherwise, Sable will operate all exploration programs during the option period and will receive in the first year a 10% management fee on all eligible exploration expenditures incurred, except for direct drilling costs for which the management fee will be reduced to 8%.