

Sabre Resources Ltd

ACN: 003 043 570

ANNUAL REPORT

2015

SABRE RESOURCES LTD

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SABRE RESOURCES LTD

COMPANY DIRECTORY

DIRECTORS

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Jonathan Downes
Paul Mazzoni
David Chapman

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SHARE REGISTRY

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West Perth WA 6005

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16 Milligan Street
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Level 4, The Read Buildings
16 Milligan Street Perth WA 6005

SECURITIES EXCHANGE LISTING

The Company is listed on the Australian
Securities Exchange and the Berlin
and Frankfurt Stock Exchanges

Home Exchange: Perth, Western Australia

ASX code for shares: SBR

SABRE RESOURCES LTD

REVIEW OF OPERATIONS

SABRE RESOURCES OPERATIONS REPORT: 2014-2015

THE OTAVI MOUNTAIN LAND PROJECT – NORTHERN NAMIBIA

The rationale and strategy for the 2014-2015 year on the Otavi Mountain Land Project in northern Namibia (Figure 1) is:

- a) The Otavi Mountain Land is a highly prospective, underexplored area which has potential for high-value Tsumeb-style copper and stratabound zinc-lead mineralisation.
- b) Sabre's exploration is now focussed on extensive areas of cover or poor outcrop which have been largely ignored by previous explorers.

This program has successfully highlighted two previously unexplored areas at Guchab South and Toggenburg, where broad areas of copper and zinc-lead sulphide mineralisation respectively, have been discovered in the subsurface.



Figure 1 – Location of Sabre's Otavi Mountain Land Project in northern Namibia. Red lines are highways, black crossed lines are railways, black squares are towns and cities, and black star is the capital, Windhoek.

SABRE RESOURCES LTD

REVIEW OF OPERATIONS

HIGHLIGHTS OF EXPLORATION

Shallow drilling of numerous zinc-lead and copper targets on the Border-Toggenburg and Kombat Corridors respectively has identified several highly prospective areas that are undergoing detailed examination.

The Toggenburg zinc-lead-silver prospect was discovered late in 2014 when shallow drilling at a strategically defined target area intercepted strong zinc and lead anomalism and visible sphalerite and galena mineralisation. Subsequent investigation has shown that:

- The Toggenburg anomaly is large, measuring over 2.8 km long and up to 250 m wide.
- Toggenburg is entirely covered by a veneer of less than 5 m of sand and silts. No outcrop of zinc-lead mineralisation has been identified. As such, there are no historical workings nor records of exploration in the vicinity of the prospect area.
- It is located less than 2 km along strike to the east of Sabre's Border zinc-lead deposit, which has a JORC 2012 Inferred Resource of 16.0 Mt @ 1.53 % Zn, 0.59 % Pb and 4.76 g/t Ag.
- At Toggenburg, sampling of the uppermost bedrock has recorded combined zinc and lead values up to 2.9 %. These results are high for the near-surface depletion zone and correspond with visible sulphides.
- The anomalies defining the Toggenburg prospect are open to the east and to the west.
- The Toggenburg anomalies cover an area more than four times the size of the equivalent anomaly at Border, where a 0.1% Zn+Pb cutoff in the near-surface approximates the footprint of zinc and lead sulphide mineralisation at depth.

Strategic targeting for copper at Guchab South identified copper anomalism and sulphide mineralisation over a broad area. Sparse outcrops show common copper sulphide mineralisation, as well as features strongly reminiscent of mineralisation at the nearby Kombat copper mine. At the Guchab South copper-silver prospect:

- Disseminated copper mineralisation is exposed over an 850 x 100 m area.
- Copper sulphides bornite, chalcocite, and chalcopyrite are exposed in sparsely distributed outcrops, along with oxidised copper minerals malachite and chrysocolla.
- Mineralisation, alteration, and deformation styles are all consistent with hydrothermal Kombat style copper deposits.
- Shallow geochemical drilling shows that the distribution of copper in bedrock defines an area coincident with the outcropping mineralisation.
- Disseminated copper mineralisation is interpreted to be the halo to more massive mineralisation down plunge to the west of the exposed mineralisation.

Work continues at both prospects and at other target areas.

PROJECT LOCATION

Sabre's Otavi Mountain Land project is located in northern Namibia, in southern Africa (Figure 1). The project comprises two granted tenements, EPL 3540 (SBR 70%) and EPL 3542 (SBR 80%), which cover about 700 km² of the 'Otavi Triangle' (Figure 2).

SABRE RESOURCES LTD

REVIEW OF OPERATIONS

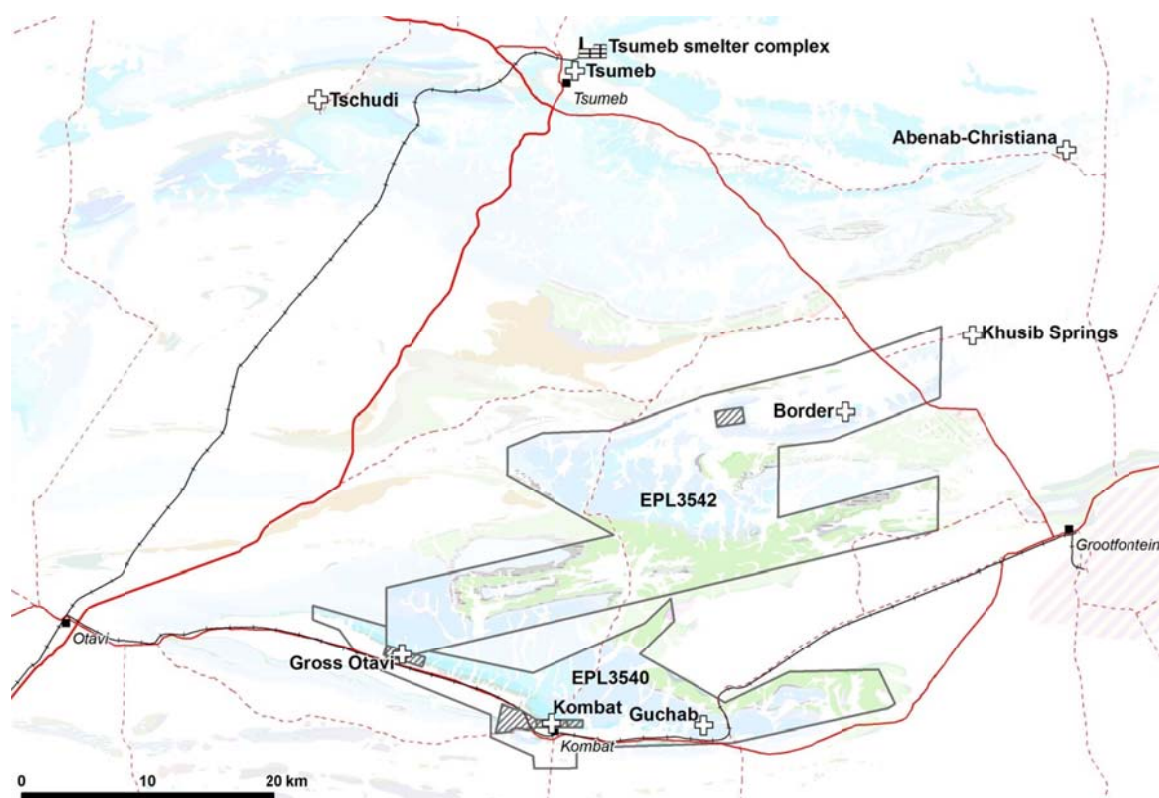


Figure 2 – The Otavi Mountain Land, showing roads (red) railroads (black hatched), towns (black square), major mines and deposits (crosses) and the Tsumeb smelter complex. Sabre's two licences, EPL3540 and EPL3542, are located in the highly mineralised south of the area. Mining licences (grey cross-hatched) are not owned by Sabre and are excised from the licences.

The Otavi Mountain Land is home to numerous historic mines including the Tsumeb copper-lead-zinc mine and smelter complex and the Kombat copper mine. These mines are currently on care & maintenance but the Tsumeb copper smelter remains one of only five operating copper smelters in Africa. The presence of these and other significant mining and processing operations has resulted in the provision of excellent infrastructure throughout the region.

Overall, the Otavi Mountain Land displays a significant mineral endowment of copper, zinc, lead, vanadium, and some semi-precious metals, with well-established supporting infrastructure.

GEOLOGICAL SETTING

The Otavi Mountain Land ('OML') is part of the Damara Mobile Belt, one of the most economically important regions globally for base metal mineralisation. A significant proportion of the world's copper is sourced from the Central African Copper Belt, which is subdivided into the Zambian and the Katangan (DRC) Copper Belts. With giant deposits such as Kamoa and Tenke-Fungurume and large high-grade deposits like Kipushi, the Central African Copper Belt is a major source of revenue for both the DRC and Zambia.

On the northern side of the Damara Mobile Belt, the Central African Copper Belt is separated from the Namib Copper Belt (home to the Otavi Mountain Land) by the overlying sediments of the much younger Kavango Basin and more recent Kalahari sands. The Namib Copper belt extends from the Otavi Mountain Land in the east in an arcuate shape to the Angolan border in the north. It is presently the focus of exploration for Sabre Resources in the highly prospective eastern parts, and for many other companies along its length.

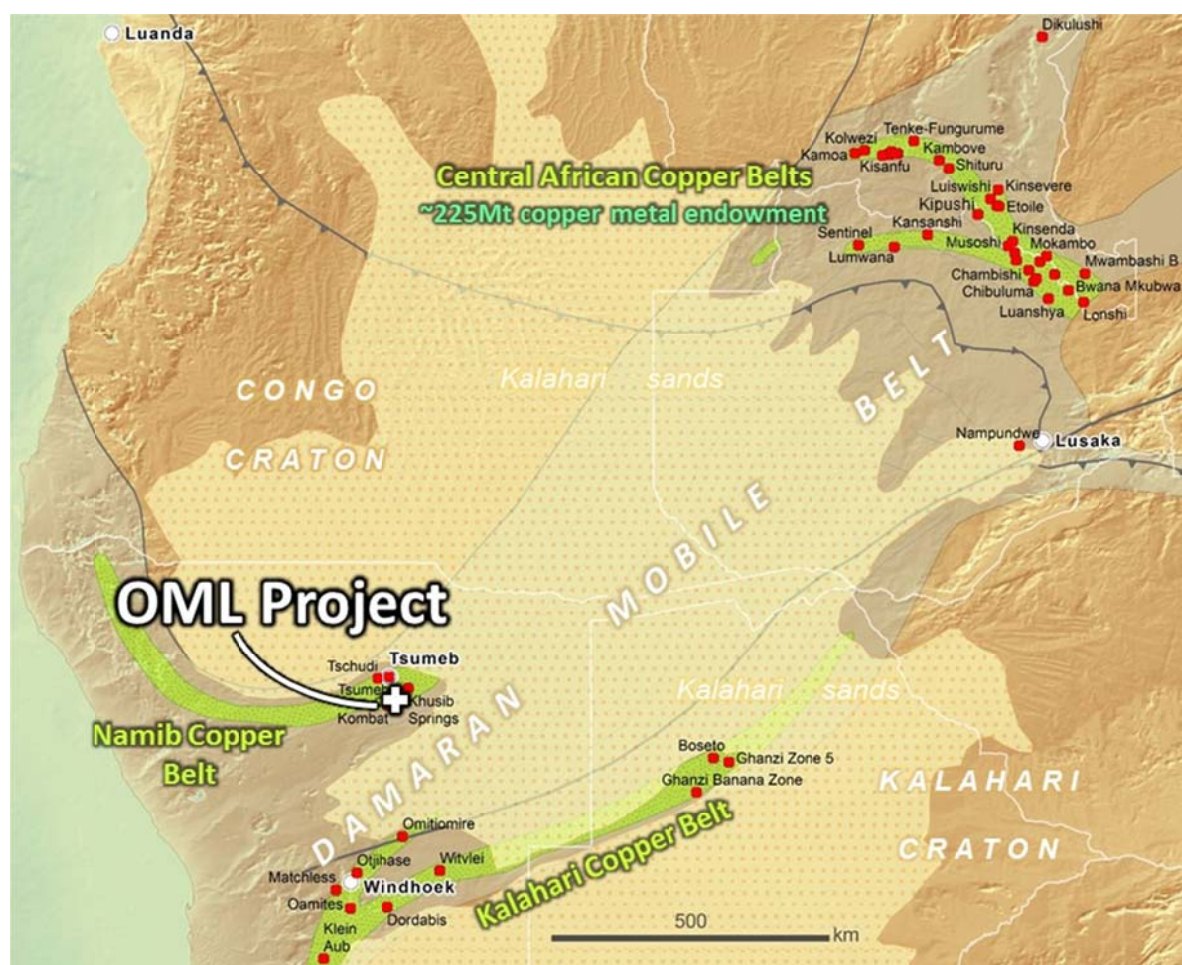


Figure 3 – Southern African mobile belts and copper belts, and the location of the Otavi Mountain Land project. Note the shaded area of sedimentary cover separating the Namib and Central African Copper Belts.

The Otavi Mountain Land itself comprises a sequence of platform carbonates, predominantly dolomites and limestones, which have been variably faulted and folded. The OML hosts a number of types of mineral deposits including:

- Epigenetic zinc-lead deposits (eg Sabre's Border and Toggenburg deposits),
- Epithermal copper deposits (eg Tsumeb, Kombat & Sabre's Guchab Mining Centre), and
- Late stage lead-vanadium 'overprinting' events (eg Berg Aukas and Abenab).

Sabre's extensive work has enabled development of a strong understanding of the mineralisation styles of the Otavi Mountain Land which differs from the widely accepted models. This places the Company in an excellent position to explore for undiscovered mineralisation throughout the licence areas.

MINING INFRASTRUCTURE

A long history of mining in the Otavi Mountain Land has resulted in excellent infrastructure in the region. Exploration commenced in the region in the late 1800s when German explorers noted the local Herero people wearing jewellery made from a variety of copper minerals. This led to the discovery of the Tsumeb mine as well as further copper deposits in the Otavi Valley, including the Kombat and Guchab mines.

SABRE RESOURCES LTD

REVIEW OF OPERATIONS

Copper mining from the early-1900s through to 2008 required significant infrastructure throughout the OML, which still exists today, including:

- **Tsumeb Copper Smelter** (*Dundee PM*) – Capacity to process 240,000 tonnes of copper concentrates per annum.
- **Tsumeb Concentrator** (*Weatherly International*) – on care & maintenance, largely intact 560,000 tonnes per annum circuit, closed in 2008 due to low copper prices.
- **Kombat Concentrator** (*Kombat Copper*) – on care & maintenance, 400,000 tonne per annum circuit, closed in 2008 due to low copper prices.
- **Rail** – network of rail through region, from the port at Walvis Bay to Tsumeb (530km) & Grootfontein (with a dedicated siding at Guchab).
- **Roads** – paved and formed gravel roads throughout region and to the capital Windhoek (430 km).
- **Reticulated high voltage power** - power throughout the OML region, sourced internally and from neighbouring countries including Zambia.
- **Reticulated water**
- **Mobile and land-line telecommunications**

This infrastructure provides a significant advantage in progressing a discovery into production.

REGIONAL SCALE RC DRILL PROGRAM

A regional-scale reverse circulation (RC) geochemical drilling program was commenced this year in the Otavi Mountain Land. The program provided rapid shallow testing of concealed high priority targets together with some deeper RC follow up of significant base metal anomalism. The targets were defined by a regional targeting exercise undertaken by the Company.

The Company believes that the discovery potential for large and/or high-grade copper or zinc-lead deposits in the Otavi Mountain Land is high in those areas not amenable to surface prospecting and not likely to have been tested by previous explorers. These areas contain little or no outcrop, with all newly defined targets located beneath soil-covered plains. These plains constitute over 60% of the region and are almost completely unexplored. Soil cover is thin over much of these concealed areas.

The first-pass shallow drilling tested for subsurface mineralisation in each target area in order to coarsely define that mineralisation's extent and style. In total, 636 holes were drilled into the underlying bedrock at 13 target areas for a total of 4003 metres. Average hole depth was less than expected at 6.3 metres.

A series of deeper follow-up RC drillholes are planned for the Toggenburg Zn-Pb prospect and the Guchab South Cu prospect.

Copper exploration under cover

The Kombat Corridor is the 40 km long lineament of copper mineralisation extending approximately east-west from Baltika in the west, through Gross Otavi and the Kombat copper mine, and beyond the Guchab mining centre in east. Sabre is presently concentrating copper exploration on a series of recently-generated targets along the eastern half of the trend (Figure 4).

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REVIEW OF OPERATIONS

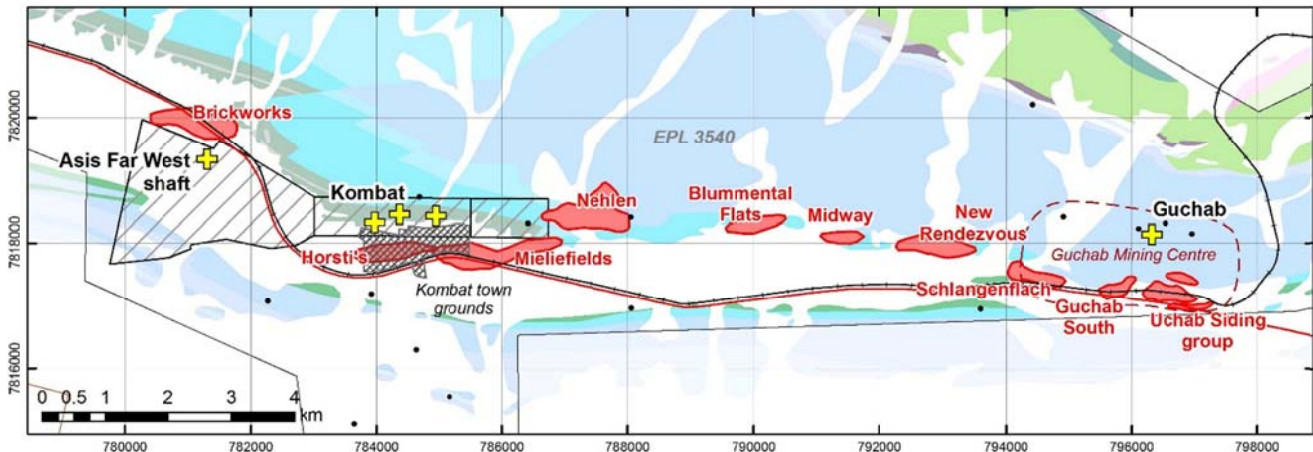


Figure 4 – Copper targets (red) on the eastern part of the Kombat Copper Corridor and around the Kombat copper mine. Historic copper mines are shown with yellow crosses. The limits of EPL 3540 are shown with the Kombat Copper mining licences excluded (hatched). Also shown is the footprint of the Kombat town grounds (cross-hatched).

Sabre's model for mineralisation along the Kombat Corridor is for Kombat-style hydrothermal copper deposits to be distributed at structurally favourable locations. Geochemical responses would likely differ according to the modelled mineralisation's depth and the nature of the overburden (

Figure 5). For example, copper mineralisation buried deeply beneath the shale and dolomite would likely result in a weak and/or cryptic anomaly, with shallow mineralisation showing a moderate response, and near-emergent mineralisation showing the strongest anomalism in both the regolith and the bedrock.

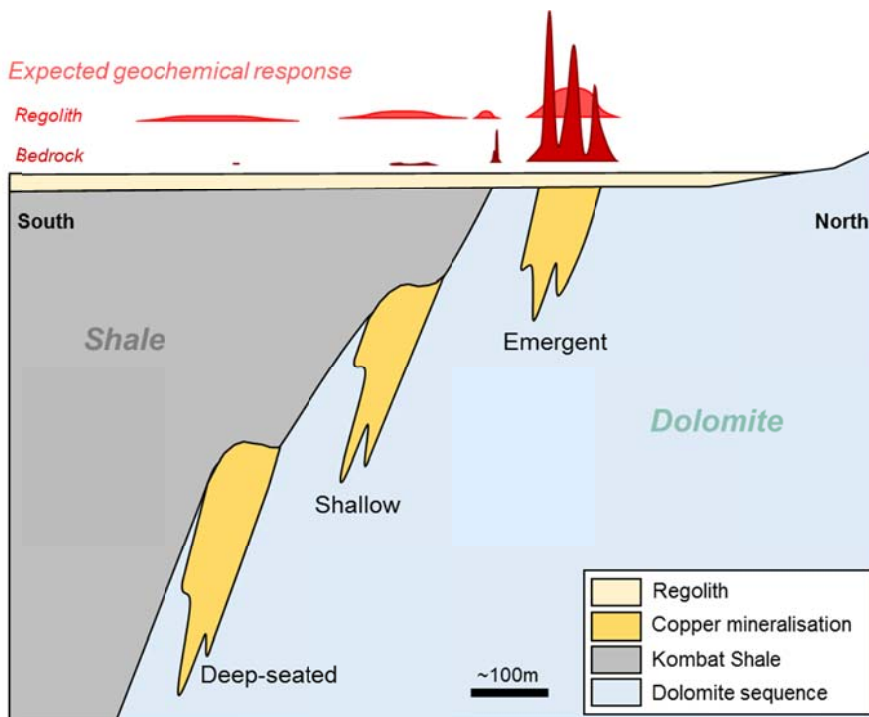


Figure 5 – Diagrammatic cross-section showing the styles of anomalism likely to be detected by the shallow geochemical drilling program along the Kombat Corridor. The style of response will largely be a function of the depth of any underlying copper mineralisation. Emergent mineralisation, which is located immediately beneath a veneer of cover material, is expected to provide strong regolith anomalism and irregular but strong bedrock response. Shallow mineralisation will show a weaker but broader regolith response and weak (if any) bedrock response, and deep-seated mineralisation showing weaker and broader response again if it shows anything at all. Note that the contact between the shale and the dolomite is likely to show a response if there is shallow or emergent mineralisation nearby.

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REVIEW OF OPERATIONS

Guchab South

In the initial stages at Guchab South, a proof-of-concept reconnaissance drilling program of 25 shallow diamond drill holes on a 100x100m grid identified copper mineralisation in the subsurface. Drillholes penetrated several metres of sand, mud, detrital dolomite fragments, and then 0.5-1.0m into the bedrock where copper minerals, malachite and chalcocite, along with minor chalcopryite and bornite, were identified in 6 of the 16 drill holes that ended in dolomite. The mineralisation is characterised by strong alteration and brecciation of the host dolomite, as it is throughout the Kombat and Guchab Canyon deposits.



Figure 6 - Chalcocite (black-grey) and malachite (green) mineralisation in silicified dolomite at Guchab South, GCGDD0006 1.65m

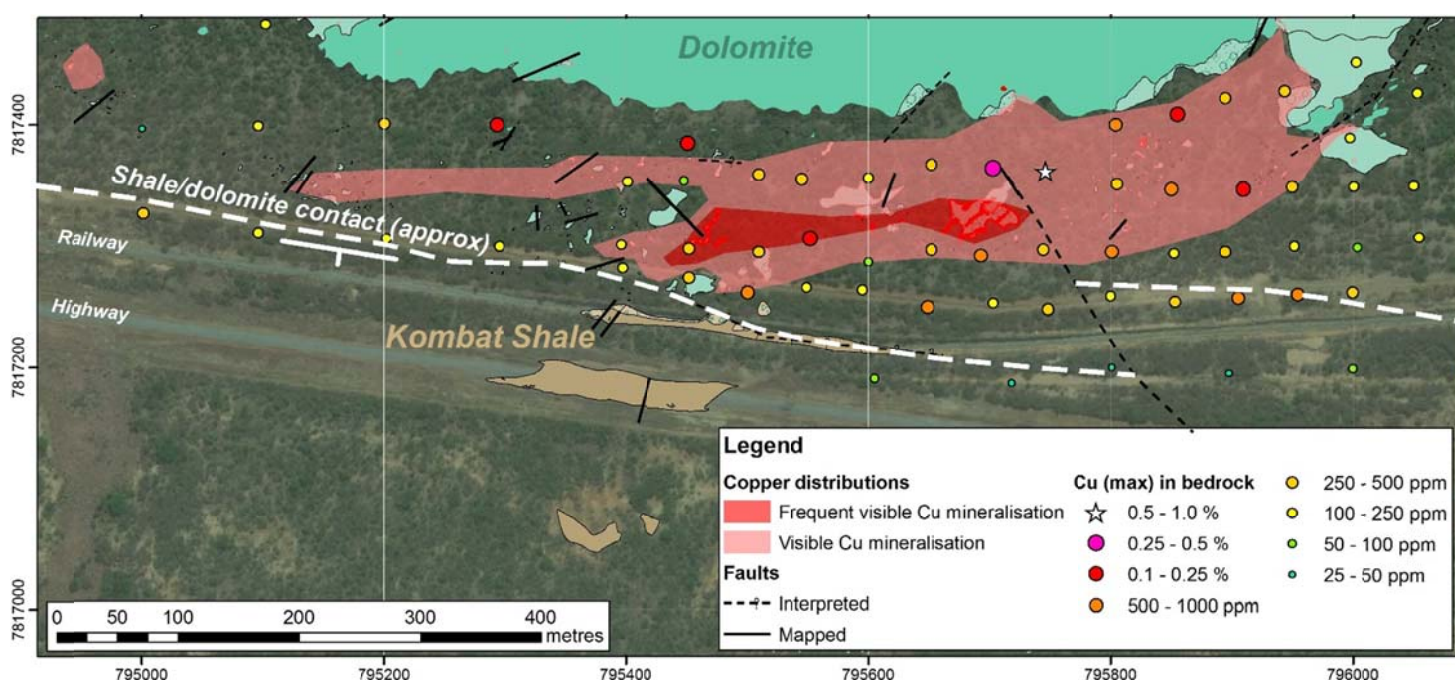


Figure 7 – Detailed geological mapping at Guchab South has identified disseminated copper mineralisation over an extensive area.

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REVIEW OF OPERATIONS

Shallow geochemical drilling program over the Guchab South prospect confirmed extensive anomalism over a broad area that coincides with the visible mineralisation identified from the pilot program (Figure 6). Strong copper anomalism follows subtle gravity ridges which also coincide with lead, manganese, iron, potassium, and calcium anomalism. Importantly, anomalism is present in both the bedrock and the base of regolith. Strong anomalism is open to the west between the railway line and the Guchabberg mountain, in line with the continuing gravity ridge. Initially drilled at a nominal 100 x 100 metre collar spacing, subsequent infill to 50 x 50 metre spacing confirmed observed relationships in considerably more detail, providing certainty on geochemical distribution. Detailed geological mapping was undertaken at Guchab South after numerous isolated metre-scale outcrops containing disseminated copper sulphide mineralisation were noted beneath thick vegetation (Figure 7). Since the end of the reporting period, it was announced that disseminated copper mineralisation has been identified extensively in outcrop at Guchab South, including the copper sulphides bornite, chalcocite, and chalcopyrite, as well as the hydrated copper carbonate malachite and the hydrated copper silicate chrysocolla. Sulphide mineralisation covers an area measuring over 850 metres by around 100 metres, with several other zones also present. The distribution of copper mineralisation in outcrop closely follows the strong copper anomalies defined by the geochemical drilling program.

Sabre is presently assessing the applicability of high-powered EM (electromagnetic) systems to evaluate the Guchab South project and assist drill targeting.

Other prospects

Shallow geochemical drilling has been undertaken at each of the targets defined along the Kombat corridor and results are under assessment.

Zinc-lead exploration under cover

Two targets have been tested by the shallow geochemical drill program at East Border and at Toggenburg. Results at Toggenburg show extensive strong zinc-lead anomalism and visible mineralisation in the subsurface.

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REVIEW OF OPERATIONS



Figure 8 – The Toggenburg prospect, looking northwest, showing the footprints of the Border deposits and the extensive anomalism at Toggenburg. Also shown is the T4/T5 contact (black line) and the Tsumeb-Grootfontein Highway.

Toggenburg zinc-lead prospect

The Toggenburg prospect lies along strike from Sabre's Border deposit (Figure 8) and is interpreted to be controlled by the same structures as Border. Zinc and lead sulphide mineralisation has been discovered beneath shallow soil cover over an extensive area (Figure 9). Here, visible zinc and lead sulphides, sphalerite and galena, are evident beneath less than 3 metres of cover material. The Toggenburg discovery is located on Sabre's 30 km long Border-Toggenburg Corridor (formerly the Pavian Trend) of outcropping and buried zinc-lead mineralisation. Drilling to date comprised 146 shallow reverse circulation (RC) drillholes for a total of 719 metres for an average hole depth of less than 5 metres. Each hole penetrated the black soil cover and 2 to 3 metres into underlying bedrock.

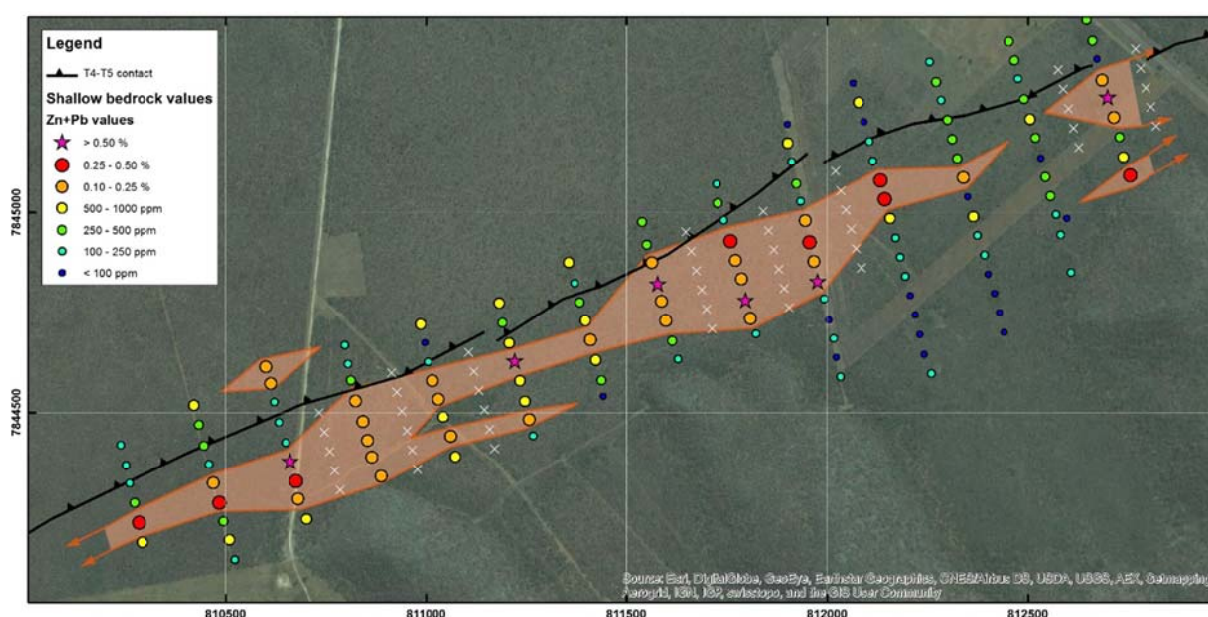


Figure 9 – Top of bedrock maximum zinc plus lead values over the Toggenburg project area. Orange lines outline the 0.10 % (1000 ppm) Zn+Pb contour, which at the Border deposit defines the distribution of zinc and lead sulphide

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REVIEW OF OPERATIONS

mineralisation at depth. White crosses represent probable collar locations for tightening of the shallow drillhole spacing for better anomaly definition.



Figure 10 – View of Toggenburg and Border from the Tsumeb-Grootfontein Highway, looking west. Border is around 5.5 km away. The footprint of the project areas (as in Figure 9) is shown in orange. The location of the northeasternmost hole of the Toggenburg drill program, TGGRC135, is located immediately in front of the fenceline.

Results from two shallow drilling programs show distinct, coherent anomalism in the regolith and the bedrock at Toggenburg (Figure 9). Elevated Zn-Pb values extend the full 2,800 m strike of the drill program and are open to the east and west. Anomalism varies from 100 m to 300 m width, along most of its strike length. Values obtained by portable XRF analyses of bedrock chips show combined zinc and lead totals as high as 2.9 % in the depleted near-surface zone. Similar patterns are exhibited for copper and manganese, which are useful tracer elements for zinc-lead mineralisation.

It is important to note that the Toggenburg anomalies remain open to both the east and the west (Figure 9). These anomalies have an area more than four times the size of the equivalent anomaly at Border, where a 0.1% Zn+Pb cutoff in the near-surface approximates the footprint of zinc and lead sulphide mineralisation at depth. For reference, the JORC 2012 Inferred Resource at Border is 16.0 Mt @ 1.53 % Zn, 0.59 % Pb and 4.76 g/t Ag.

A notable feature of the Toggenburg zinc-lead prospect is its proximity to infrastructure. The drill program and the anomalism runs up to the sealed Tsumeb-Grootfontein Highway, only 20 km from the city of Grootfontein (Figure 10).

Further work is planned at Toggenburg to fully define the near surface anomalies prior to completion of planning for deeper drilling.

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REVIEW OF OPERATIONS

BORDER ZINC-LEAD-SILVER DEPOSIT

Sabre completed a review of the Border deposit and associated revision of the resource to the JORC 2012 standard. Since the release of the previous resource (ASX release 24 January 2012), an additional two hundred and eight bulk density measurements were collected and incorporated into the model. A revised resource statement has been compiled.

Border Inferred Mineral Resource Estimate

Sabre has estimated an Inferred Mineral Resource at the Border Deposit to JORC 2012 standard of:

16.0 Mt @ 1.53% Zn , 0.59% Pb and 4.76 g/t Ag,

when reported at a 1.25% Zn+Pb cut-off grade. The mineral resource estimate increases to 31.2 Mt @ 1.10% Zn and 0.40% Pb and 3.37 g/t Ag when reported at 0.5% Zn+Pb cut-off grade.

Table 1 – Border 2014 Mineral Resource Estimate

Resources			Metal Grade			Contained Metal		
Category	Cut off (%)	Tonnage (Mt)	Zinc (%)	Lead (%)	Silver (g/t)	Zinc (t)	Lead (t)	Silver (Moz)
Inferred	0.5	31.2	1.10	0.40	3.37	343,000	126,000	3.4
Inferred	1.25	16.0	1.53	0.59	4.76	246,000	95,000	2.5
Inferred	2.0	7.5	1.93	0.80	5.96	144,000	59,000	1.4

Border is considered to be an epigenetic zinc-lead-silver deposit that consists of sphalerite (zinc sulphide) and galena (lead sulphide) mineralisation within dolomitic host rocks. No pyrite (iron sulphide) or any other sulphides are present in significant amounts, and weathering is minor and shallow so as to be immaterial. The deposit dips at 60° to the north-northwest, stretches along strike for 2,430 m, extends for up to 390 m beneath surface (with the bulk of the tonnage and grade within 150 m of surface), and varies between 10 m and 85 m thick (25 m average thickness). A plan of the hole collars and grade-metre distributions of the mineralisation is shown in Figure 11.

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REVIEW OF OPERATIONS

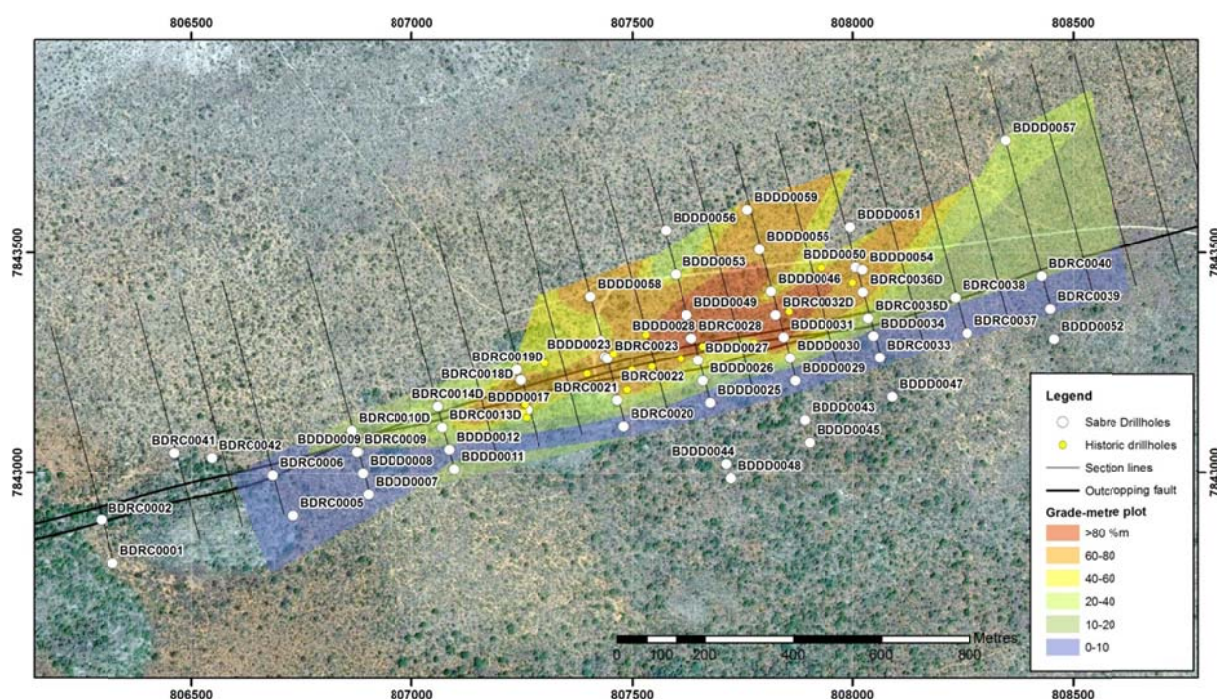


Figure 11 – Drillhole plan and contoured grade-metres for the Border deposit.

Metallurgical testwork

Metallurgical test work on the Border Deposit (Table 2) showed that cheap and efficient dense media separation (DMS) resulted in exceptional upgrading of the mineralisation, with 92.5% of the lead and 86% of the zinc recovered at a coarse 12.5mm crush size. This was from only 17% of the feed mass, with a resulting product grade of 12.5% zinc and 6.3% lead (from mineralisation grading 1.66% Zn and 0.77% Pb).

Subsequent grind and float test work demonstrated excellent liberation at a relatively coarse grind size of 150 microns. Final flotation concentrate grades were around 65 % lead and 62 % zinc, with final recoveries of around 87% for lead and 82% for zinc.

Table 2 – Summary of the results of beneficiation testing of Border mineralisation on bulk composite sample (60kg, crushed and screened all passing 12.5mm)

Process	Lead	Zinc
1 - Original sample (head assay)	0.77%	1.66%
2 – Dense media separation sinks (fines from crushing)		
Product grade:	6.3%	12.5%
Enrichment factor (from 1):	8.2 times	7.5 times
Metal Recovery (from 1):	92.5 %	86.0 %
3 - Grind and float		
Product grade:	63-69%	61-62%
Enrichment factor (from 2):	~10 times	~5 times
Recovery (from 2):	94-95 %	~95 %
Process Summary		
Overall enrichment (from original):	~82 times	~37 times
Overall recovery (from original):	87.8%	81.7%

A major factor in the success of the DMS technique at Border is the lack of waste sulphides, such as the iron sulphides pyrite and pyrrhotite, which if present would effectively lower the grade of the concentrate.

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REGIONAL EXPLORATION

Regional soil sampling is an important exploration technique useful for defining surface geochemical anomalies that can be indicative of subsurface mineralisation. In total, 14,620 soils samples were collected from Sabre's two licences during the year.

Ongoing interpretation of regional geophysical and other remotely sensed datasets is allowing the definition of more targets throughout Sabre's groundholding in the Otavi Mountain Land. Interrogation of publicly available data beyond our licences is also being undertaken, to identify new opportunities for the Company so that, should the ground become available, Sabre can promptly apply for that ground.

During the year, Sabre negotiated access to the historic Tsumeb drill core and data repositories. These archives are important because a significant proportion of the historically generated data throughout the region during the 20th Century was stored at Tsumeb.

LICENCING

Both licences (EPL3540 and EPL3542) were maintained in good standing during the year, with expenditure far exceeding the required quantum.

Applications for four exclusive prospecting licences (EPLs) were submitted to the Ministry of Mines and Energy (Namibia) during the previous year. These applications are still pending.

EXPLORATION PROGRAM 2015-16

The exploration program for 2015-16 will continue to focus on defining mineralisation in the shallowly covered areas of the Otavi Mountain Land. Sabre's priorities include:

- Continued drill testing of the Toggenburg zinc-lead discovery.
- High-resolution geophysical testing of the Guchab South copper prospect.
- High resolution, deep penetrating geophysical testing of the Kaskara copper-zinc-lead-vanadium prospect.
- Investigation of various copper and zinc-lead targets throughout the region.
- Investigation of various zinc targets throughout the region.

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REVIEW OF OPERATIONS

Competent Person Declaration

The information in this report that relates to Exploration Results is based on information compiled by David Chapman who is Managing Director of Sabre Resources Ltd, and who is a Member of The Australian Institute of Mining and Metallurgy. Mr Chapman has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Chapman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Sabre Resources Ltd's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Sabre believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

SABRE RESOURCES LTD

DIRECTORS' REPORT

The Directors present their report on Sabre Resources Ltd ("the Company") and its controlled entities for the year ended 30 June 2015.

DIRECTORS

The Directors of the Company during and since the end of the financial year were:-

Michael Scivolo
Jonathan Downes
Paul Mazzoni
Roger Steinepreis (appointed and resigned 10 November 2014)
David Chapman (appointed 30 May 2015)

Shares and options of Sabre Resources Ltd held by Directors at the date of this report:

Director	Shares	Options
Michael Scivolo	-	-
Jonathan Downes	-	-
Paul Mazzoni	250,000	-
David Chapman	-	-

PRINCIPAL ACTIVITIES

The principal activity of the Company and its controlled entities is mineral exploration.

RESULTS

The operating loss for the financial year after providing for income tax amounted to \$592,325 (2014: \$1,107,069).

FINANCIAL POSITION

The net assets of the Group have decreased by \$47,655 from \$27,107,342 at 30 June 2014 to \$27,059,687 at 30 June 2015.

DIVIDENDS

Since the end of the previous financial year, no dividend has been declared or paid by the Company. The Directors do not recommend the payment of a dividend.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

(a) All of the Directors were in office for the entire period. Their qualifications, experience and special responsibilities are as follows:-

(i) Michael Scivolo BCom, FCPA

Mr Scivolo has extensive experience in the fields of accounting and taxation in both corporate and non-corporate entities. He was a Director of South East Asia Resources Ltd until 29 November 2013, and is a Director of Blaze International Limited, Prime Minerals Limited, Power Resources Limited, Metals Australia Ltd and Golden Deeps Limited.

(ii) Jonathan Downes BSc (Geol), MAIG

Mr Downes has over fifteen years experience in the minerals industry, and has worked in various geological and corporate capacities. He has experience in nickel, gold and base metals, and has been intimately involved with numerous private and public capital raisings. Mr Downes

SABRE RESOURCES LTD

DIRECTORS' REPORT

is currently the Managing Director of Ironbark Zinc Ltd and a non-Executive Director of Corazon Mining Ltd and was formerly a non-Executive Director of Waratah Gold Ltd (until 28 November 2014).

(iii) Paul Mazzoni BSc (Geol), MSc

Mr Mazzoni is a geologist with over forty years of wide ranging geological experience in the mining and minerals industry. He holds a Bachelor of Science from Melbourne University, and a Master of Science (Mineral Exploration) from Queens University, Ontario. He is a qualified mineral property valuator as defined in the VALMIN code, as well as being a former member of the Western Australia Chamber of Mines Exploration Council.

(iv) David Chapman BSc (Geol) (Hons)

Mr Chapman is a geologist with over thirty years diverse international geological experience in the mining and minerals industry. His experience covers most aspects of the mining industry, from exploration and operations through to completion of feasibility studies, funding and project construction and business development. He was a founding director of ASX listed Paringa Resources Limited, and remains on the board as a non-executive director.

- (b) The Company Secretary was in office for the entire period and his qualifications and experience are as follows:-

Norman Grafton FCIS, FCSA

Mr Grafton has extensive experience in both Australian and international commerce, having previously been based in Singapore, Indonesia, Papua New Guinea and Jamaica. Prior to returning to Australia, he was Director of Finance and Company Secretary of the largest agro-industrial operation in Jamaica, on secondment from a major UK firm of corporate managers.

REMUNERATION REPORT (AUDITED)

2015

Key Management Personnel	Short-term Benefits		Superannuation	Share-based Payment		Percentage of remuneration paid in Equity
	Director's Fees	Salaries & Consulting Fees		Options	Total	
	\$	\$		\$	\$	%
M Scivolo	6,000	-	7,140	-	13,140	-
J Downes	12,000	-	1,140	-	13,140	-
P Mazzoni	12,000	23,525	-	-	35,525	-
R Steinepreis (only 10 November 2014)	-	-	-	-	-	-
D Chapman (from 30 May 2015)	-	12,500	-	-	12,500	-
N Grafton	-	34,344	4,986	-	39,330	-
M Painter	-	204,950	25,000	-	229,950	-
M McCabe	-	127,500	14,850	-	142,350	-
	30,000	402,819	53,116	-	485,935	-

SABRE RESOURCES LTD

DIRECTORS' REPORT

2014

Key Management Personnel	Short-term Benefits		Superannuation	Share-based Payment Options	Total	Percentage of remuneration paid in Equity %
	Director's Fees	Salaries & Consulting Fees				
	\$	\$		\$	\$	
M Scivolo	8,000	-	5,110	-	13,110	-
J Downes	12,000	-	1,110	-	13,110	-
D Zukerman	-	9,602	7,097	-	16,699	-
P Mazzoni	4,000	14,000	-	-	18,000	-
N Grafton	-	38,114	6,645	-	44,759	-
T Putt	-	80,353	-	-	80,353	-
M Painter	-	209,888	25,000	-	234,888	-
M McCabe	-	130,000	12,025	-	142,025	-
	24,000	481,957	56,987	-	562,944	-

KMP Options Holdings

The number of options over ordinary shares held by each KMP during the financial year is as follows:

	Balance 1 July 2014	Granted as Compensation	Other Movements	Options Exercised	Options Expired	Balance 30 June 2015
J Downes	-	-	-	-	-	-
M Scivolo	-	-	-	-	-	-
D Zukerman	-	-	-	-	-	-
R Steinepreis	-	-	-	-	-	-
D Chapman	-	-	-	-	-	-
P Mazzoni	-	-	-	-	-	-
N Grafton	-	-	-	-	-	-
M Painter	1,000,000	-	(1,000,000)	-	-	-
M McCabe	250,000	-	(250,000)	-	-	-
Total	1,250,000	-	(1,250,000)	-	-	-

SABRE RESOURCES LTD

DIRECTORS' REPORT

KMP Shareholdings

The number of ordinary shares in Sabre Resources Ltd held by each KMP during the financial year is as follows:

	Balance 1 July 2014	Granted as Compensation	Issued on Exercise of Options During the Year	Other Changes During the Year	Balance 30 June 2015
J Downes	-	-	-	-	-
M Scivolo	-	-	-	-	-
P Mazzoni	250,000	-	-	-	250,000
R Steinepreis	-	-	-	-	-
D Chapman	-	-	-	-	-
N Grafton	20,000	-	-	-	20,000
Total	270,000	-	-	-	270,000

Non-executive Directors receive a fixed fee, with Executive Directors being remunerated for any professional services conducted for the Company.

No Director has an employment contract, but the employment terms and conditions of key management personnel and Group executives are formalised in twelve month contracts of employment.

Terms of employment require that thirty days notice of termination of contract is required from either employer or employee. There is no agreement to pay any termination payment other than accrued salary and annual leave.

Directors received no benefits in the form of share-based payments during the year ended 30 June 2015.

There are no retirement schemes for any Directors or any loans or any other type of compensation.

Board policy on the remuneration for this exploration company is influenced by comparing fees paid to directors in other companies within the exploration industry, and then set at a level to attract qualified people, to accept the responsibilities of directorship. No Director, executive or employee has an employment contract.

Being an exploration company, with no earnings, a relationship is yet to be established between an emolument policy and the Company's performance. During the year the Company did not engage remuneration consultants to review its existing remuneration policies.

At the last AGM shareholders voted to adopt the remuneration report for the year ended 30 June 2014. The Company did not receive specific feedback at the AGM regarding its remuneration practices.

END OF REMUNERATION REPORT

ANALYSIS OF MOVEMENT IN OPTIONS

The 3,750,000 unlisted options issued on 8 March 2013, exercisable at 20 cents each at any time up to their expiration date of 5 March 2015, expired unexercised.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

SABRE RESOURCES LTD

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2015, and the number of meetings attended by each Director.

Name	Eligible to attend	Attended
Michael Scivolo	10	8
Jonathan Downes	10	10
Paul Mazzoni	1	10
Roger Steinepreis	-	-
David Chapman	-	-

RETIREMENT, ELECTION AND CONTINUATION OF OFFICE OF DIRECTORS

Mr Scivolo retired by rotation as a Director at the Annual General Meeting on 10 November 2014 and was re-elected.

Mr Mazzoni, who is retiring by rotation, will offer himself for re-election at the forthcoming Annual General Meeting. Mr Chapman was appointed as Managing Director on 30 May 2015.

ENVIRONMENTAL ISSUES

The Company's objective is to ensure that a high standard of environmental care is achieved and maintained on all properties. There are no known environmental issues outstanding.

AFTER REPORTING DATE EVENTS

No matters or circumstances have arisen since the end of the financial year, which significantly affect or may significantly affect the operations of the economic entity, the results of these operations, or the state of affairs of the economic entity in the subsequent financial years.

INDEMNIFYING OFFICERS OR AUDITOR

No indemnities have been given, or insurance premiums paid, other than Directors' and Officers' Insurance, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

SHARE OPTIONS

As at the date of this report, there are no options on issue.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Company and its controlled entities during the financial year, other than as noted in this financial report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

SABRE RESOURCES LTD

DIRECTORS' REPORT

AUDIT COMMITTEE

No Audit Committee has been formed as the Directors believe that the Company is not of a size to justify having a separate Audit Committee. Given the small size of the Board, the Directors believe an Audit Committee structure to be inefficient.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independent auditor's declaration as required by section 307c of the *Corporations Act 2001*, is set out on Page 53.

NON AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons;

- All non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year under review, a related practice of our auditor Grant Thornton Audit Pty Ltd also provided services in relation to taxation matters. Details of the amounts paid and payable to the auditor of the Company, Grant Thornton Audit Pty Ltd for audit and non-audit services provided during the year are set out in Note 6 to the Financial Statements.

This report is made in accordance with a resolution of the Directors and Section 298(2) of the *Corporations Act 2001*.



Michael Scivolo
DIRECTOR

Dated this 30th day of September 2015.
Perth, Western Australia

SABRE RESOURCES LTD

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Consolidated 2015 \$	2014 \$
Revenue	5	133,545	288,138
Expenditure			
Fair value movement – financial assets		(2,667)	4,000
Management fees		256,541	259,097
Directors' fees and services		61,998	60,919
Other expenses		169,321	213,036
Administration costs		149,981	138,689
Employee benefits expense		262,848	332,178
Depreciation	10	55,203	53,135
Impairment/(Recovery) of VAT recovery in Namibia		(220,966)	230,063
Defalcation of VAT recovery in Namibia		(7,265)	101,840
Exploration costs		875	2,250
		725,870	1,395,207
(Loss) before income tax		(592,325)	(1,107,069)
Income tax benefit	4	-	-
(Loss) after income tax	15	(592,325)	(1,107,069)
Other comprehensive (loss), net of tax			
Items that may be subsequently transferred to profit or loss:			
Exchange differences on translating foreign controlled entities		(544,668)	(762,155)
Total comprehensive (loss) for the year		(47,657)	(1,869,224)
Earnings per share		Cents	Cents
Basic Earnings / (Loss) per share	18	(0.3)	(0.5)

Diluted earnings / (loss) per share has no effect as compared to the Basic earnings / (loss) per share.

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	Consolidated 2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	8	764,577	2,886,962
Trade and other receivables	9	469,468	131,450
TOTAL CURRENT ASSETS		1,234,045	3,018,412
NON-CURRENT ASSETS			
Financial assets		12,000	9,333
Plant and equipment	10	124,986	173,643
Exploration and evaluation expenditure	11	25,939,709	24,164,267
TOTAL NON-CURRENT ASSETS		26,076,695	24,347,243
TOTAL ASSETS		27,310,740	27,365,655
CURRENT LIABILITIES			
Trade and other payables	12	251,053	258,313
TOTAL CURRENT LIABILITIES		251,053	258,313
TOTAL LIABILITIES		251,053	258,313
NET ASSETS		27,059,687	27,107,342
EQUITY			
Issued capital	13	51,936,045	51,936,045
Share option reserve	14	-	262,500
Foreign currency translation reserve	16	(1,576,038)	(2,120,706)
Accumulated losses	15	(23,300,322)	(22,970,497)
TOTAL EQUITY		27,059,687	27,107,342

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED ENTITY

	Issued Capital	Share Option Reserve	Foreign Currency Translation Reserve	(Accumulated Losses)	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2013	51,936,045	262,500	(1,358,551)	(21,863,428)	28,976,566
Loss attributable to members of parent entity	-	-	-	(1,107,069)	(1,107,069)
Other comprehensive (loss) for the year			(762,155)		(762,155)
Total comprehensive (loss) for the year	-	-	(732,155)	(1,107,069)	(1,869,244)
Balance as at 30 June 2014	51,936,045	262,500	(2,120,706)	(22,970,497)	27,107,342
Loss attributable to members of parent entity	-	-	-	(592,325)	(592,325)
Other comprehensive profit/(loss) for the year	-	-	544,668	-	544,668
Total comprehensive (loss) for the year	-	-	544,668	(592,325)	(47,657)
Share options expired	-	(262,500)	-	262,500	-
Balance as at 30 June 2015	51,936,045	-	(1,576,038)	(23,300,322)	27,059,687

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 \$	2014 \$
Cash flow from operating activities			
Payments to suppliers		(1,009,997)	(1,328,035)
Interest received		64,175	185,015
Sundry Income		80,677	150,464
Research and Development tax offset			-
Net cash (outflow) from operating activities	17	<u>(865,145)</u>	<u>(992,556)</u>
Cash flow from investing activities			
Purchase of property, plant and equipment		(6,082)	(21,790)
Exploration and evaluation expenditure		<u>(1,252,361)</u>	<u>(2,187,412)</u>
Net cash (outflow) from investing activities		<u>(1,258,443)</u>	<u>(2,209,202)</u>
 Net increase/(decrease) in cash and cash equivalents held		 (2,123,588)	 (3,201,758)
 Cash and cash equivalents at the beginning of the financial year		 2,886,962	 6,109,567
Effect of exchange rates on cash holdings in foreign currencies		<u>(1,202)</u>	<u>(20,847)</u>
Cash and cash equivalents at the end of the financial year	8	<u>764,577</u>	<u>2,886,962</u>

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The financial report of Sabre Resources Ltd (the Company) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 25 September 2015.

Sabre Resources Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange and the Berlin and Frankfurt Stock Exchanges.

The nature of the operations and principal activity of the Group is mineral exploration.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, Australian Accounting Interpretations and complies with other requirements of the law, as appropriate for for-profit oriented entities. The financial report has also been prepared on an accruals basis and on a historical cost basis, except for financial assets and liabilities, which have been measured at fair value.

The financial report is presented in Australian Dollars.

The financial statements of the Company and Group have been prepared on a going concern basis which anticipates the ability of the Company and Group to meet its obligations in the normal course of the business.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(c) New and Amended Accounting standards adopted by the Group

The group has applied the following standards and amendments for the first time for the financial year beginning 1 July 2014:

- AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards
- AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The adoption of the above standards only affected the disclosures in these notes to the financial statements.

(d) New Accounting Standards for Application in Future Period

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 9 Financial Instruments (December 2010) (also refer to AASB 2013-9 and AASB 2014-1 below) supersedes AASB 139 Financial Instruments: Recognition and Measurement (in part).

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013) (continued)

(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: the change attributable to changes in credit risk are presented in other comprehensive income (OCI) and the remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: Classification and measurement of financial liabilities; and Derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements.

Consequential amendments arising from AASB 9 are contained in AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2010-10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters, AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments and AASB 2014-1 Amendments to Australian Accounting Standards.

Effective date on annual reporting periods beginning on or after 1 January 2018.

(ii) Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).

The amendments to IFRS 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in IFRS 3 Business Combinations, should: apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except principles that conflict with the guidance of IFRS 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e. the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and provide disclosures for business combinations as required by IFRS 3 and other IFRSs.

The Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian amendment shortly.

Effective date on annual reporting periods beginning on or after 1 January 2016.

There are no other standards that are not yet effective and that are expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

(e) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

(f) Interest in joint venture operation

The Group's interest in any joint venture operation is accounted for by recognising the Group's assets and liabilities from the joint venture, as well as expenses incurred by the Group and the Group's share of income earned from the joint venture, in the consolidated financial statements.

(g) Foreign currency translation

The functional and presentation currency of Sabre Resources Ltd, Link National Pty Ltd and Starloop Holdings Pty Ltd is Australian Dollars (A\$), and the functional and presentation of Sabre Resources Namibia (Pty) Ltd and Gazania Investments Nine (Pty) Ltd is Namibian Dollars (N\$).

Cash remittances from the parent entity to the Namibian subsidiaries are sent in Australian Dollars. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All differences in the consolidated financial report are taken to the Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of any overseas subsidiaries would be translated into the presentation currency of Sabre Resources Ltd at the rate of exchange ruling at the Statement of Financial Position date and the Statement of Profit or Loss and Other Comprehensive Income are translated at the weighted average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(h) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment - over 3 to 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss and Other Comprehensive Income in the period the item is derecognised.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

(i) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised and is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(j) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(k) Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. that date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

(i) *Financial assets at fair value through profit or loss*

Financial assets classified as held for trading are included in the category “financial assets at fair value through profit or loss”. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(ii) *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) *Loans and receivables*

Loans and receivables, including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) *Available-for-sale-investments*

Available-for-sale-investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate economic component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(l) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable through the successful development, or sale, of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(m) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(n) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance

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contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(p) Share-based payment transactions

(i) Equity settled transactions:

In the year under review, the Group did not provide benefits to management personnel and consultants of the Group in the form of share-based payments whereby personnel render services in exchange for shares.

In the previous year, the cost of equity-settled transactions with management personnel and consultants was measured by reference to the fair value of the equity instruments at the date on which they were granted. The fair value was determined using the Black-Scholes formula.

In valuing equity-settled transactions, no account was taken of any performance conditions, other than conditions linked to the price of the shares of Sabre Resources Ltd (market conditions). The cost of equity-settled transactions was recognised, together with the corresponding increase in equity, on the date of grant of the options.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(ii) Cash settled transactions:

The Group does not provide benefits to employees in the form of cash-settled share based payments.

Any cash-settled transactions would be measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date with changes in fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate

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that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(iii) *Dividends*

Revenue is recognised when the shareholders' right to receive the payment is established.

(r) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and,
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit or Loss and Other Comprehensive Income. Income tax benefits are comprised of research and development claims against eligible expenditure.

(s) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

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The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(u) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the parent, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net loss attributable to members of the parent, adjusted for:

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(w) Comparatives

Comparatives are reclassified where necessary to be consistent with the current year's disclosures.

(x) Going Concern

The financial report has been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the period, the Group has reported a net loss of \$592,325 and a net cash outflow from operating activities of \$865,145 and from investing activities of \$1,258,443.

The Directors will continue to monitor the capital requirements of the Group, and this includes additional capital raisings in future periods as required. The Group has the ability to vary discretionary exploration expenditure if required.

The Directors recognise that the above represents a material uncertainty as to the Group's ability to continue as a going concern, however, they are confident that the Group will be able to continue its operations into the foreseeable future.

Should the Group be unable to obtain the funding as described above, there is a material uncertainty as to whether the Group will be able to continue as a going concern, and therefore, whether it will be required to

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realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

3. Significant Accounting Judgments, Estimates and Assumptions

In applying the Group's accounting policies, management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i) *Significant accounting judgments include:*

(a) Provision for investments in and loans to subsidiaries

Investments in, and loans to, subsidiaries are fully provided for until such time as subsidiaries are in a position to repay loans.

(b) Exploration expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$25,939,709 as per Note 11.

(ii) *Significant accounting estimates and assumptions include:*

(a) Share-based payment transactions

The Group measured the cost of equity-settled transactions with management personnel and consultants in previous years by reference to the fair value of the equity instruments at the date at which they were granted. The fair value was determined using the Black-Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The Group measured the cost of cash settled share-based payments at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions under which the instruments were granted

(b) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

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NOTES TO THE FINANCIAL STATEMENTS

4. Income Tax

	Consolidated	
	2015	2014
	\$	\$
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax on profit/(loss) from ordinary activities before income tax at 30%	(177,697)	(332,121)
Add:		
<i>Tax effect of:</i>		
Other non-allowable items	4,359	174,638
Deferred tax asset not brought to account	165,181	163,457
Less:		
<i>Tax effect of:</i>		
Research & Development tax offset	-	-
Effect of overseas tax rate	8,158	(5,974)
Income tax (benefit) attributable to entity	-	-
Unrecognised Deferred Tax Assets		
Australian		
- Tax losses: operating losses	2,903,660	2,627,897
- Tax losses: capital losses	1,869,800	1,869,800
- Temporary differences	17,291	15,584
- Temporary differences equity	-	-
Foreign		
- Tax losses	311,811	227,330
	5,102,562	4,740,611
Unrecognised Deferred Tax Liabilities - Australian	(541)	(4,072)
Unrecognised Deferred Tax Liabilities - Foreign	(9,536)	(18,765)
	(10,077)	(22,837)

The benefits from Unrecognised Deferred Tax Assets will only be obtained if:-

- The companies derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- The companies continue to comply with the conditions for deductibility purposes imposed by the Law; and
- No changes in tax legislation adversely affect the companies in realising the benefits from the deductions for the losses.

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5. Revenue

	Consolidated	
	2015	2014
	\$	\$
Interest earned	52,404	138,406
Cost recovery	80,677	149,732
Profit on sale of assets	464	-
	<u>133,545</u>	<u>288,138</u>

6. Auditor's Remuneration

Amounts received or due and receivable by the Company's auditors for:-

	Consolidated	
	2015	2014
	\$	\$
Remuneration of the auditor of the parent entity, Grant Thornton Audit Pty Ltd		
- auditing or reviewing of the financial report	28,472	27,160
- taxation services provided by related practice of the auditor	6,450	6,200
- other	1,550	-
Remuneration of other auditors of subsidiaries for:		
- auditing or reviewing the financial reports of subsidiaries	18,637	22,844
	<u>55,109</u>	<u>56,204</u>

7. Interests of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for Details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2015.

The totals of remuneration paid to KMP during the year are as follows:

Short-term employee benefits	432,819	505,957
Post-employment benefits	53,116	56,987
Share-based payments	-	-
	<u>485,935</u>	<u>562,944</u>

There are no retirement schemes for any Directors or any loans or any other type of compensation.

Directors' fees are paid on a quarterly basis. Consulting fees for professional services are paid as events occur.

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8. Cash and Cash Equivalents

	Consolidated	
	2015	2014
	\$	\$
Represented by		
Cash at bank	264,577	486,962
Bank deposits	500,000	2,400,000
	764,577	2,886,962

9. Trade and Other Receivables

Current		
Accrued interest	1,803	13,574
Short term loans	-	29,274
Other debtors	467,665	88,602
	469,468	131,450

All trade debtors are current, not impaired and less than 90 days.

10. Plant and Equipment

	Consolidated	
	2015	2014
	\$	\$
Plant and Equipment, at cost	387,536	375,220
Less: accumulated depreciation	(262,550)	(201,577)
	124,986	173,643
Opening written down value	173,643	213,746
Additions	-	21,790
Depreciation	(55,203)	(53,135)
Foreign currency exchange differences	6,546	(8,758)
Closing written down value	124,986	173,643

11. Exploration and Evaluation Expenditure

Opening balance	24,164,267	22,613,937
Expenditure for the year	1,252,361	2,187,412
Foreign currency exchange differences	523,081	(637,082)
	25,939,709	24,164,267

On 29 June 2012, the Group acquired all the issued share capital of Starloop Holdings Pty Limited (Starloop) for a purchase consideration of 5,360,000, consisting of 46,000,000 converting shares of Sabre Resources Ltd at a share price of 11cents and \$300,000 in cash. The consideration securities were subject to a 12 month escrow period which expired on 28 June 2013. Other terms of the transaction included the issue of the further shares upon meeting the targets set out below:

1. 25 million shares on achieving inferred JORC resource of 1million tonnes at a grade of 2% Cu, and
2. A further 5 million shares on achieving an inferred JORC resource of 5 million tonnes at a grade of 3% Cu.

The above items are disclosed in the contingent liability at note 25.

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NOTES TO THE FINANCIAL STATEMENTS

12. Trade and other Payables

	Consolidated	
	2015	2014
	\$	\$
Payables	208,915	222,366
Accrued annual leave	42,138	35,947
	<u>251,053</u>	<u>258,313</u>

13. Issued Capital

Movement in ordinary share capital of the Company during the last two years.

Date	Details	Number of Shares	Issue Price (cents)	Amount \$
1 July 2013	Balance	226,472,228		51,936,045
30 June 2014	Balance	226,472,228		51,936,045
30 June 2014	Balance	<u>226,472,228</u>		<u>51,936,045</u>

The Company's capital consists of Ordinary Shares. The Company does not have a limited amount of authorised share capital. The Shares have no par value and are entitled to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of Shares held.

At shareholders' meetings each fully paid ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

Management controls the capital of the group in order to maintain a suitable debt to equity ratio and to ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

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14. Share Option Reserve

Date	Details	Number of Options	Amount \$
1 July 2013	Balance	3,750,000	262,500
30 June 2014	Balance	3,750,000	262,500
5 March 2015	Options expired	(3,750,000)	-
5 March 2015	Reserve translated to accumulated losses	-	(262,500)
30 June 2015	Balance	-	-

There were no options outstanding as at 30 June 2015.

Summary of Options Granted

The following table sets out the number (N^o.) and weighted average exercise price (WAEP) of, and movements in, share options granted during the year or prior year:

	2015 N ^o .	2015 WAEP (cents)	2014 N ^o .	2014 WAEP (cents)
Outstanding at beginning of year	-	-	3,750,000	20
Granted during the year	-	-	-	-
Expired during year	-	-	(3,750,000)	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-

There were no options outstanding as at 30 June 2015.

15. Accumulated Losses

	Consolidated	
	2015 \$	2014 \$
Accumulated losses at the beginning of the year	(22,970,497)	(21,863,428)
Share options expired	262,500	-
(Loss) for year	(592,325)	(1,107,069)
Accumulated losses at the end of the financial year	(23,300,322)	(22,970,497)

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16. Foreign currency translation reserve

	Consolidated	
	2015	2014
	\$	\$
Foreign currency translation reserve at the beginning of the year	(2,120,706)	(1,358,551)
Profit/(Loss) for year	544,668	(762,155)
Foreign currency translation reserve at the end of the financial year	<u>(1,576,038)</u>	<u>(2,120,706)</u>

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity.

17. Cash flow Information

Reconciliation to Statement of Cash Flows

		Consolidated	
	Note	2015	2014
		\$	\$
Operating (loss) after income tax:		(592,324)	(1,107,069)
Non-cash flows in loss:			
Depreciation	10	55,203	53,135
Fair value adjustments		(2,667)	4,000
Unrealised foreign exchange gain		20,385	(95,468)
Gain on disposal of plant & equipment		(464)	-
Changes in assets and liabilities:			
(Increase)/decrease in receivables		(338,018)	164,980
Increase/(decrease) in trade and other payables		<u>(7,260)</u>	<u>(12,134)</u>
Net cash flows (used in) operating activities		<u>(865,145)</u>	<u>(992,556)</u>

18. Earnings per share

	2015	2014
	Number	Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	<u>226,472,228</u>	<u>226,472,228</u>
Diluted loss per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share.		
Loss per share – cents	<u>(0.3)</u>	<u>(0.5)</u>

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NOTES TO THE FINANCIAL STATEMENTS

19. Financial Instruments

(a) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Non-Interest Bearing		TOTAL	
	2015	2014	2015	2014	2015	2014
	0.00% - 3.40%	0.00% - 4.15%				
	\$	\$	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	764,577	2,886,962	-	-	764,577	2,886,962
Loans and Receivables	-	-	469,468	131,450	469,468	131,450
Held-for-trading investments	-	-	12,000	9,333	12,000	9,333
Total Financial Assets	764,577	2,886,962	481,468	140,783	1,246,045	3,027,745
Financial Liabilities (at amortised cost):						
Trade and other payables	-	-	(251,053)	(258,313)	(251,053)	(258,313)
Net Financial Assets	764,577	2,886,962	230,415	(117,530)	994,992	2,769,432

Reconciliation of Financial Assets to Net Assets

	Consolidated	
	2015	2014
	\$	\$
Net Financial Assets	994,992	2,769,432
Exploration and Evaluation expenditure	25,939,709	24,164,267
Fixed assets	124,986	173,643
	27,059,687	27,107,342

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial report.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

(d) Financial Risk Management

The Group's financial instruments consist mainly of deposits with recognised banks, investments in bank bills up to 90 days, accounts receivable and accounts payable, and loans to subsidiaries. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The Directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to, through its financial instruments, are the depository banking institution itself, holding the funds, and interest rates. The Group's active exposure to foreign currency is confined to services procured through the Namibian subsidiary. The Group's credit risk is minimal as being an exploration company, no goods are sold, or services provided, for which consideration is claimed.

(e) Sensitivity Analysis

Interest Rate Risk, Foreign Currency Risk and Price Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2015, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated	
	2015	2014
	\$000	\$000
Change in profit:		
- Increase in interest rate by 2%	26	62
- Decrease in interest rate by 2%	(26)	(62)
Change in Equity		
- Increase in interest rate by 2%	26	62
- Decrease in interest rate by 2%	(26)	(62)

(f) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages the risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

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Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Consolidated Group	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
<i>Financial Liabilities - Due for Payment</i>								
Trade and Other Payables	251,053	258,313	-	-	-	-	251,053	258,313
Total expected outflows	251,053	258,313	-	-	-	-	251,053	258,313
<i>Financial Assets - Cash Flows Realisable</i>								
Cash and Cash Equivalents	264,577	486,962	-	-	-	-	264,577	486,962
Bank Deposit over 3 months	500,000	2,400,000	-	-	-	-	500,000	2,400,000
Receivables	469,468	131,450	-	-	-	-	469,468	131,450
Held-for-trading investments	-	-	12,000	9,333	-	-	12,000	9,333
Total anticipated Inflows	1,234,045	3,018,412	12,000	9,333	-	-	1,246,045	3,027,745
Net (outflow)/inflow on financial instruments	982,992	2,760,099	12,000	9,333	-	-	994,992	2,769,432

(g) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

The Group is also exposed to securities price risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations.

Financial Instruments Measured at Fair Value:

The financial instruments recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

	Level 1	Level 2	Level 3	Total
Consolidated Group	\$000	\$000	\$000	\$000
2015				
Financial assets				
Financial assets at fair value through profit or loss:				
- investments – held-for-trading	12	-	-	12
	12	-	-	12
2014				
Financial assets				
Financial assets at fair value through profit or loss:				
- investments – held-for-trading	9	-	-	9
	9	-	-	9

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

20. Investment in controlled entities

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding %		Book Value of Investment		Contribution to Consolidated Result	
			2015 %	2014 %	2015 \$	2014 \$	2015 \$	2014 \$
Link National Pty Ltd	Australia	Ordinary	100	100	8,000,000	8,000,000	-	-
Sabre Resources Namibia (Pty) Ltd	Namibia	Ordinary	70	70	-	-	(64,657)	(199,148)
Starloop Holdings Pty Ltd	Australia	Ordinary	100	100	5,360,000	5,360,000	-	-
Gazania Investments Nine (Pty) Ltd	Namibia	Ordinary	80	80	6,500,000	6,500,000	173,470	(265,139)

Although the Namibian subsidiaries have non-controlling interests, the financial effect of these interests have not been brought to account in the consolidated financial report as accumulated losses attributable to non-controlling interests exceed their relevant proportion of equity. The parent entity also considers it will be wholly responsible for funding the future financial commitments of these subsidiaries.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

21. Related Parties

The Group's related parties include its subsidiaries, key management and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were received or given.

Related Party	Relationship	Nature Of Transaction	Year ended 30 June 2015		Year ended 30 June 2014	
			Transactions	Balance	Transactions	Balance
Sabre Resources Namibia (Pty) Ltd	Subsidiary	Expenses paid	559,000	9,009,000	394,406	8,450,000
Gazania Investments Nine (Pty) Ltd	Subsidiary	Expenses paid	620,000	3,370,000	1,413,000	2,750,000
Metals Australia Ltd	Common directorship	Other Income	23,371	0	39,704	4,546
Golden Deeps Limited	Common directorship	Other Income	1,909	0	21,997	0
Golden Deeps Limited	Common directorship	Geological Services	(23,006)	(4,342)	(153,832)	(866)

All transactions with Directors are disclosed in note 7.

22. Operating Segments

The Group has identified its operating segments based on the internal management reporting that is used by the executive management team (the chief operating decision maker) in assessing performance and allocating resources. The Group's operating segments have been identified based on how the financial and operating results of the Group are monitored and presented internally to the executive management team. The reportable segments are based on aggregated operating segments determined by the similarity of the products sold, as these are the sources of the Group's major risks and have the most effect on the performance of the Group.

The executive management team have aggregated the performance of all segments as they maintain similar economic characteristics of which includes the development and exploration of the Group's minerals interests in Namibia.

23. Commitments

(i) Mining Tenements

The Company's main focus is the highly prospective Ongava Project in Namibia. There are no formal exploration commitments specified by the Namibian Ministry of Mining and Energy.

(ii) Services Agreement

The Company has an agreement with a service company for the provision of services at \$188,000 per annum plus CPI. Charges are at commercial terms in accordance with the agreement entered into on 1 June 2015 for renewable one year periods.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

24. Parent Entity Information

The following details information related to the parent entity, Sabre Resources Ltd, at 30 June 2015. The information presented here has been prepared using consistent accounting policies as shown in note 2.

	Parent Entity	
	2015	2014
	\$	\$
ASSETS		
Current assets	625,909	2,791,186
Non-current assets	16,815,486	16,526,095
TOTAL ASSETS	17,441,395	19,317,281
LIABILITIES		
Current liabilities	(128,092)	(123,870)
Non-current liabilities	-	-
TOTAL LIABILITIES	(128,092)	(123,870)
EQUITY		
Issued capital	51,936,045	51,936,045
Accumulated losses	(34,622,742)	(33,005,134)
TOTAL EQUITY	17,313,303	18,930,911
RESERVES		
Share option reserve	-	262,500
TOTAL RESERVES	-	262,500
FINANCIAL PERFORMANCE		
(Loss) for the year	1,880,098	(2,451,945)
TOTAL COMPREHENSIVE (LOSS)	1,880,098	(2,451,945)

No guarantees have been entered into by the parent entity on behalf of its subsidiary.

No contractual commitments by the parent company exist other than that referred to in note 22.

25. Contingent Liabilities

In addition to the shares issued to the vendor of Namibian tenement number EPL 3540, a further 25,000,000 shares will be issued on achieving an inferred JORC resource of 1 million tonnes at a grade of 2% copper; (or the metal equivalent being 20,000 tonnes copper metal) from the Project and 5,000,000 shares on achieving an inferred JORC resource of 5 million tonnes at a grade of 3% copper; (or the metal equivalent being 30,000 tonnes copper metal)

No other contingent liability exists for termination benefits under service agreements with directors or persons who take part in the management of the company.

26. Subsequent Events

No other matters or circumstances have arisen since the end of the financial year which significantly affect, or may significantly affect, the operations of the economic entity, the results of these operations, or the state of affairs of the economic entity in the subsequent financial years.

SABRE RESOURCES LTD

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Sabre Resources Limited (the "Company"):

- (a) the financial statements and notes set out on pages 22 to 48, and the Remuneration disclosures that are contained in pages 17 to 19 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (iii) complying with International Financial Reporting Standards as disclosed in note 2.
- (b) the remuneration disclosures that are contained in pages 17 to 19 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Directors:



Michael Scivolo
DIRECTOR

Dated this 30th day of September 2015
Perth, Western Australia



Grant Thornton

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Independent Auditor's Report To the Members of Sabre Resources Ltd

Report on the financial report

We have audited the accompanying financial report of Sabre Resources Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Sabre Resources Ltd is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2(x) to the financial report which indicates that the consolidated entity incurred a net loss of \$592,325 and also incurred cash outflows from operating and investing activities of \$2,123,588 during the year ended 30 June 2015. These conditions, along with other matters as set forth in Note 2 (x), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 17 to 19 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Sabre Resources Ltd for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner - Audit & Assurance

Perth, 30 September 2015

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**Auditor's Independence Declaration
To the Directors of Sabre Resources Ltd**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Sabre Resources Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner - Audit & Assurance

Perth, 30 September 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
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SABRE RESOURCES LTD

CORPORATE GOVERNANCE

INTRODUCTION

Sabre Resources Ltd ACN 003 043 570 ("the Company") has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised below.

Additional information about the Company's corporate governance practices is set out on the Company's website at www.sabresources.com:

Principle 1 – Lay solid foundations for management and oversight

Responsibilities of the Board

The Board is responsible for the following matters:

- o ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
- o development of corporate strategy, implementation of business plans and performance objectives;
- o reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control system and legal and regulatory compliance;
- o the appointment of the Company's Managing Director, (or equivalent), Chief Financial Officer, Company Secretary and other senior executives;
- o monitoring senior executives' performance and implementation of strategy;
- o determining appropriate remuneration policies;
- o allocating resources and ensuring appropriate resources are available to management;
- o approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- o approving and monitoring financial and other reporting.

Diversity

The Company recognises and respects the value of diversity at all levels of the organisation.

Due to the size and scale of the Company's activities, most services are provided by a Services Provider under a Services Agreement. The Company has only two direct employees, one of whom is a woman.

When the level of activity permits, the Directors will ensure that women are fairly considered and the Company's aim will be to promote a culture which embraces diversity through ongoing education, succession planning, director and employee selection and recognising that skills are not gender specific.

The Company recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills is limited in some instances. The Company also recognises that diversity extends to matters of age, disability, ethnicity, marital/family status, religious/cultural background and

sexual orientation. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool.

As at the date of this report, the Company has no women appointed to the Board, or to senior management, and one employee in the organisation as a whole.

Chairman

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairman facilitates the effective contribution of all directors and promotes constructive and respectful relations between directors and between the Board and management of the Company. The Chairman is responsible for briefing directors on issues arising at Board meetings and is ultimately responsible for communications with shareholders and arranging Board performance evaluation.

Managing Director

The Managing Director is responsible for running the affairs of the Company under authority delegated from the Board. In carrying out his responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

Company Secretary

The Company Secretary is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agendas and briefing material and is accountable directly to the Board on all matters to do with the proper functioning of the Board. All directors are to have access to the Company Secretary.

Performance Evaluation

The Chairman and/or the Managing Director are responsible for reviewing the performance of each executive at least once every calendar year. During the financial year ended 30 June 2015, an evaluation of the performance of the Board and its members was not formally undertaken. However, a general review of the Board and executives occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.

It is the policy of the Board to conduct evaluation of individual employees' performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the individuals was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.

Principle 2 - Structure the Board to add value

Composition of the Board

The Company will ensure that the Board will be of a size and composition that is conducive to making appropriate decisions and be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole

rather than of individual shareholders or interest groups. It will not, however, be so large that effective decision-making is hindered.

Independent Directors

The Company will regularly review whether each non-executive director is independent, and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.

An Independent Director:

1. is a Non-Executive Director and;
2. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
3. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
4. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
5. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
6. has no material contractual relationship with the Company or other group member other than as a Director of the Company;
7. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
8. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Company's non-executive directors are all independent and will endeavour to ensure that it has a majority of independent directors at all times, subject to the right of shareholders in general meeting to elect and remove directors.

The Company's current non-executives are:

- Michael Scivolo was first appointed on 3 October 2006
- Jonathan Downes was first appointed on 13 December 2007
- Paul Mazzoni was first appointed on 25 February 2014

David Chapman was appointed Managing Director on 30 May 2015.

Chairman

The Chairman should be a non-executive director who is independent and should not be the Chief Executive Officer of the Company. The Chairman's other positions should not be such that they are likely to hinder the effective performance of his role of Chairman of the Company.

Independent decision-making

All directors - whether independent or not - should bring an independent judgment to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairman, if he is independent, or, if he is not independent, the deputy Chairman. Non-executive directors should inform the Chairman before accepting any new appointments as directors.

Independent advice

To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

Procedure for selection of new directors

The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors will be involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when it has an appropriate mix of skills and experience.

Prior to the appointment of a director, appropriate checks will be undertaken to determine the suitability of any candidate, and the Board will provide security holders with all material information in its possession, which the Board considers relevant.

In support of their candidature for directorship or re-election, non-executive directors should provide the Board with details of other commitments and an indication of time available for the Company. Prior to appointment or being submitted for re-election non-executive directors should specifically acknowledge to the Company that they will have sufficient time to meet what is expected of them. Re-appointment of directors is not automatic. There are no written agreements with directors.

The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skill shortages. The Company monitors any perceived gaps in skills, as well as seeking to identify future suitable Board candidates for positions from a diverse pool.

Induction and education

The Board has an induction program to enable new directors to gain an understanding of:

- o the Company's financial, strategic, operational and risk management position;
- o the rights, duties and responsibilities of the directors;
- o the roles and responsibilities of senior executives; and

- o the role of any Board committees in operation.

Directors will have reasonable access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the Company and in the industries in which the Company's business is involved.

Access to information

The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.

Senior executives are required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

Principle 3: Promote ethical and responsible decision-making

Code of conduct

The Board has adopted the Code of Conduct set out at Appendix A to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity.

The Board is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.

The Board is responsible for making advisers, consultants and contractors aware of the Company's expectations set out in the Code of Conduct.

Policy for trading in Company securities

The Board has adopted a policy on trading in the Company's securities by directors, senior executives and employees set out in Appendix B.

The Board is responsible for ensuring that the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Management

The Company believes it is not of a size to justify having a separate Audit and Risk Management Committee. Ultimate responsibility for the integrity of the Company's financial reporting rests with the full Board. Given the small size of the Board, the directors believe an Audit and Risk Management Committee structure to be inefficient. All directors share responsibility for ensuring the integrity of the Company's financial reporting and appropriate Board processes have been implemented to perform the following audit and risk management functions:

- external audit function:
 - o review the overall conduct of the external audit process including the

- independence of all parties to the process;
- o review the performance of the external auditors;
- o consider the reappointment and proposed fees of the external auditor; and
- o where appropriate, seek tenders for the audit and where a change of external auditor is recommended, arrange submission to shareholders for shareholder approval;
- reviewing the quality and accuracy of published financial reports;
- reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures;
- reviewing and imposing variations to the risk management and internal control policies designed and implemented by Company management; and
- any other matters relevant to audit and risk management processes.

The Company's Risk Management Policy ensures that the Board as a whole is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's Risk management strategy are to:

- identify risks to the Company;
- balance risk to reward;
- ensure regulatory compliance is achieved; and
- ensure senior executives, the Board and investors understand the risk profile of the Company.

The Board monitors risk through various arrangements including:

- regular Board meetings;
- share price monitoring;
- market monitoring; and
- regular review of financial position and operations.

The Company's Risk Management Policy is considered adequate for addressing and managing risk. It is intended that the Board will annually review the following categories of risks affecting the Company as part of the Company's systems and processes for managing material business risks:

- operational matters,
- financial reporting,
- sovereignty and
- market-related risks.

Principle 5: Make timely and balanced disclosure

Disclosure Policy

The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to shareholders through the ASX set out in Appendix C.

The Disclosure Policy ensures that:

- all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and
- Company announcements are subjected to a vetting and authorisation process designed to ensure they:
 - o are released in a timely manner;
 - o are factual;
 - o do not omit material information; and
 - o are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to making it easy for shareholders to participate in shareholder meetings of the Company. The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

Shareholders are given the opportunity to receive communications electronically.

The Company's website includes the following:

- Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks;
- Names and biographical details of each of its directors and senior executives;
- Constitution;
- Copies of annual, half yearly and quarterly reports;
- ASX announcements;
- Copies of notices of meetings of security holders;
- Media releases;
- Overview of the Company's current business, structure and history;
- Details of upcoming meetings of security holders;
- Summary of the terms of the securities on issue;
- Historical market price information of the securities on issue;
- Contact details for the share registry and media enquiries;
- Share registry key security holder forms.

Principle 6: Respect the rights of shareholders

Communication with Shareholders

The Board is committed to open and accessible communication with holders of the Company's shares and other securities. Disclosure of information and other communication will be made as appropriate by telephone, mail or email.

The Company's website will also be used to provide additional relevant information to security holders. The Board considers the following to be appropriate features for the Company's website:

- o placing the full text of notices of meeting and explanatory material on the website;
- o providing information about the last three years' press releases or announcements plus at least three years of financial data on the website; and
- o providing information updates to security holders on request by email.

General Meetings

The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

The external auditor is invited to attend every AGM for the purpose of answering questions from security holders relevant to the audit.

Principle 7: Recognise and manage risk

Creation and implementation of Company risk management policies

It is the responsibility of the Managing Director to create, maintain and implement risk management and internal control policies for the Company, subject to review by the Board.

The Managing Director must report to the Board on an annual basis regarding the design, implementation and progress of the risk management policies and internal control systems.

Audit and Risk Management

As referenced with respect to Principle 4, the Board has not established an Audit and Risk Management Committee for the reasons given above.

Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.

The Company has considered its economic, environmental and social sustainability risks by way of internal review and has concluded that it is not subject to material economic, environmental and social sustainability risks.

Review by the Board

The Board will review the effectiveness of implementation of the risk management system and internal control system at least annually.

When reviewing risk management policies and internal control system the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

Managing Director

The Managing Director is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

Verification of financial reports

The Managing Director and Chief Financial Officer are required by the Company to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(4) of the Corporations Act:

- o that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and
- o that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

Director and senior executive remuneration policies

The Company's remuneration policy is structured for the purpose of:

- o motivating senior executives to pursue the long-term growth and success of the Company; and
- o demonstrating a clear relationship between senior executives' performance and remuneration.

The Board's responsibility is to set the level and structure of remuneration for officers (including but not limited to directors and secretaries) and executives, for the purpose of balancing the Company's competing interests of:

- o attracting and retaining senior executives and directors; and
- o not paying excessive remuneration.

Executive directors' remuneration is structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.

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Executive directors' and senior executives' remuneration packages involve a balance between fixed and incentive-based pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

Non-executive directors' remuneration is formulated with regard to the following guidelines:

- o non-executive directors are normally remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, usually without participating in schemes designed for the remuneration of executives; and
- o non-executive directors are not provided with retirement benefits other than superannuation.

Executives and non-executive directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

No director is involved in setting their own remuneration or terms and conditions, but if such a case were to arise, the relevant director would be required to absent himself from the full Board discussion.

Remuneration Committee

The Company believes it is not of a size to justify having a Remuneration Committee and that it has Board processes in place which raise the issues that would otherwise be considered by a committee.

Appendix A – Code of Conduct

Introduction

This Code of Conduct sets out the standards with which the Board, management and employees of the Company are encouraged to comply when dealing with each other, the Company's shareholders and the broader community.

Responsibility to shareholders

The Company aims:

- o to increase shareholder value within an appropriate framework which safeguards the rights and interests of shareholders; and
- o to comply, with openness and integrity, the systems of control and accountability which the Company has in place as part of its corporate governance.

Responsibility to clients, employees, suppliers, creditors, customers and consumers

The Company will comply with all legislative and common law requirements which affect its business.

Employment practices

The Company will employ the best available staff with the skills required to carry out the role for which they are employed. The Company will ensure a safe workplace and maintain proper occupational health and safety practices.

Responsibility to the community

The Company recognises, considers and respects environmental, native title and cultural heritage issues which may arise in relation to the Company's activities and will comply with all applicable legal requirements.

Responsibility to the individual

The Company recognises and respects the rights of individuals and will comply with applicable laws regarding privacy and confidential information.

Obligations relative to fair trading and dealing

The Company will deal with others in a way that is fair and will not engage in deceptive practices.

Business courtesies, bribes, facilitation payments, inducements and commissions

Corrupt practices are unacceptable to the Company. It is prohibited for the Company or its directors, managers or employees to directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.

Conflicts of interest

The Board, management and employees must report any situations where there is a real or apparent conflict of interest between them as individuals and the interests of the Company. Where a real or apparent conflict of interest arises, the matter must be brought to the attention of the Chairman in the case of a Board member, the Managing Director in the

case of a member of management and a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner.

Compliance with the Code of Conduct

Any breach of compliance with this Code of Conduct is to be reported directly to the Chairman.

Periodic review of Code

The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff. Suggestions for improvements or amendments to this Code of Conduct can be made at any time to the Chairman.

Appendix B – Policy for trading in Company securities

Introduction

The Company recognises and enforces legal and ethical restrictions on trading in its securities by relevant persons within and external to the Company. The terms of this securities dealing policy apply to the Company's directors, senior executives, employees and consultants (Relevant Persons).

Communication

This policy will be communicated to all Relevant Persons and will be placed on the Company website.

Trading restrictions

Trading by Relevant Persons in the Company's securities is subject to the following limitations:

- o No trading in Company securities shall take place during the two weeks preceding release of each quarterly report, half-yearly financial report, and annual financial report of the Company.
- o No trading in the Company's securities shall take place, directly or indirectly, where it is known, or ought reasonably to have been known by the person intending to trade, that information exists which has not been released to the ASX and where that information is of a type that could reasonably be expected to encourage buying or selling were that information known by others.
- o No trading shall take place in Company securities unless prior notice is given [and approval is obtained] from the Chairman.

Hardship

During a period specified in the previous paragraph, Relevant Persons may, after obtaining the Chairman's consent, trade the Company's securities to the extent reasonably necessary to avoid or ameliorate documented hardship and suffering or as required by other extenuating circumstances.

Directors' trading and disclosures

Within twenty four hours of a director being appointed to the Board, resigning or being removed from the Board, or trading in the Company's securities, full details of the director's notifiable interests in the Company's securities and changes in such interest must be advised to the Company Secretary so that a record is kept within the Company and so that necessary ASX notifications will occur.

All directors must notify the Company Secretary of any margin loan or similar funding arrangement entered into in relation to the Company's securities and any variations to such arrangements, including the number of securities involved, the circumstances in which the lender can make margin calls, and the right of the lender to dispose of securities.

Appendix C - Disclosure Policy

Disclosure requirements

The Company recognises its obligations pursuant to the continuous disclosure rules of the ASX Listing Rules and the Corporations Act to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities.

Subject to certain exceptions (in ASX Listing Rule 3.1A), the Company is required to immediately release to the market information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Responsibilities of directors officers and employees

The Board as a whole is primarily responsible for ensuring that the Company complies with its disclosure obligations and for deciding what information will be disclosed. Subject to delegation, the Board is also responsible for authorising all ASX announcements and responses of the Company to ASX queries.

Every director, officer and employee of the Company is to be informed of the requirements of this policy and must advise the Managing Director, Chairman or Company Secretary as soon as possible (and prior to disclosure to anyone else) of matters which they believe may be required to be disclosed.

Authorised Disclosure Officer

The Board has delegated its primary responsibilities to communicate with ASX to the following Authorised Disclosure Officer:

- o the Company Secretary or
- o in the absence of the Company Secretary, the Managing Director is authorised to act in that capacity by the Board.

Responsibilities of Authorised Disclosure Officer

Subject to Board intervention on a particular matter, the Authorised Disclosure Officer is responsible for the following:

- o monitoring information required to be disclosed to ASX and coordinating the Company's compliance with its disclosure obligations;
- o ASX communication on behalf of the Company, authorising Company announcements and lodging documents with ASX;
- o requesting a trading halt in order to prevent or correct a false market;
- o providing education on these disclosure policies to the Company's directors, officers and employees; and
- o ensuring there are vetting and authorisation processes designed to ensure that Company announcements:
 - o are made in a timely manner;
 - o are factual;
 - o do not omit material information; and
 - o are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

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An Authorised Disclosure Officer, who is responsible for providing contact details and other information to ASX to ensure such availability, must be available to communicate with the ASX at all reasonable times.

Measures to avoid a false market

In the event that ASX requests information from the Company in order to correct or prevent a false market in the Company's securities, the Company will comply with that request. The extent of information to be provided by the Company will depend on the circumstances of the ASX request.

If the Company is unable to give sufficient information to the ASX to correct or prevent a false market, the Company will request a trading halt.

If the full Board is available to consider the decision of whether to call a trading halt, only they may authorise it, but otherwise, the Authorised Disclosure Officer may do so.

ASX announcements

Company announcements of price sensitive information are subjected to the following vetting and authorisation process to ensure their clarity, timely release, factual accuracy and inclusion of all material information:

- o The Authorised Disclosure Officer must prepare ASX announcements when required to fulfil the Company's disclosure obligations.
- o Proposed announcements must be approved by the Managing Director or in his absence, urgent announcements may be approved by any other person expressly authorised by the Board.
- o Announcements must first be released to the ASX Announcements Platform before being disclosed to any other private or public party (such as the media). After release of the announcement, it must be displayed on the Company's website, following which the Company can then release such information to media and other information outlets.
- o Wherever practical, all announcements must be provided to the directors, Managing Director and Company Secretary prior to release to the market for approval and comment.

Confidentiality and unauthorised disclosure

The Company must safeguard the confidentiality of information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. If such information is inadvertently disclosed, the Authorised Disclosure Officer must be informed of the same and must refer it to the Chairman and Managing Director as soon as possible.

External communications and media relations

The Chairman, Managing Director and Company Secretary are authorised to communicate on behalf of the Company with the media, government and regulatory authorities, stock brokers, analysts and other interested parties or the public at large. No other person may do so unless specifically authorised by the Chairman or the Managing Director.

All requests for information from the Company must be referred to the Authorised Disclosure Officer for provision to the Chairman and the Managing Director.

Breach of Disclosure Policy

Serious breaches of the Company's Disclosure Policy may be treated with disciplinary action, including dismissal, at the discretion of the Board. Where the breach is alleged against a member of the Board, that director will be excluded from the Board's consideration of the breach.

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SHAREHOLDER INFORMATION

1 Distribution of Shareholders

(a) As at 23 September 2015 the distribution of members and their shareholdings were:-

Range of Holding	Holders	Shares Held	Percent
1 - 1,000	262	95,675	0.042
1,001 - 5,000	293	818,710	0.362
5,001 - 10,000	143	1,157,626	0.511
10,001 - 100,000	402	16,689,232	7.369
100,001 and over	182	207,710,985	91.716
	1,282	226,472,228	100.000

(b) There exist 858 shareholders with less than marketable parcels of shares.

2 Substantial Shareholders

The names of the substantial shareholders who have notified the Company in accordance with Section 671B of the *Corporation Act 2001* are:

Name	Number of Ordinary Shares	Percentage of Issued Capital
Coniston Pty Ltd and Kalgoorlie Mine Management Pty Ltd	73,290,771	32.36%

The twenty largest shareholders as at 23 September 2015, representing 67.281% of the paid up capital were:

Name of Holder	Number	Percent
Coniston Pty Ltd <Coniston A/c>	69,200,000	30.556
National Nominees Limited	25,790,561	11.388
BBY Nominees Ltd	13,429,899	5.930
Bow Lane Nominees Pty Ltd	9,513,800	4.201
GKK Group Holdings Pty Ltd	3,761,088	1.661
Thomas Brian Cannon	3,000,000	1.325
Archfield Holdings Pty Ltd	3,000,000	1.325
J P Morgan Nominees Australia Ltd	2,841,404	1.255
Ironside Pty Ltd	2,795,000	1.234
Buckingham Investment Financial Services Pty Ltd	2,215,000	0.978
Carmant Pty Ltd	2,050,992	0.906
Colin Weekes	2,022,736	0.893
HSBC Custody Nominees (Australia) Ltd	2,000,000	0.883
Langoni Investments Pty Ltd	1,803,882	0.797
C R & J E Cannon	1,540,000	0.680
UBS Wealth Management Australia Nominees	1,509,537	0.667
Coniston Pty Ltd	1,500,000	0.662
Myles Adrian Matthew Sutton	1,500,000	0.662
Kalgoorlie Mine Management Pty Ltd	1,450,771	0.641
Kevin Richard Smith	1,407,322	0.639
	149,622,267	67.281

As at the date of this report, there are no options outstanding.