

# **SABRE RESOURCES LTD**

ACN: 003 043 570

## **ANNUAL REPORT**

**2018**

# SABRE RESOURCES LTD

## INDEX

---

| <b>Contents</b>                                                         | <b>Page<br/>No.</b> |
|-------------------------------------------------------------------------|---------------------|
| Company Directory                                                       | 1                   |
| Review of Operations                                                    | 2                   |
| Directors' Report                                                       | 14                  |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 22                  |
| Consolidated Statement of Financial Position                            | 23                  |
| Consolidated Statement of Changes in Equity                             | 24                  |
| Consolidated Statement of Cash Flows                                    | 26                  |
| Notes to the Financial Statements                                       | 27                  |
| Directors' Declaration                                                  | 54                  |
| Independent Audit Report                                                | 55                  |
| Auditor's Independence Declaration                                      | 59                  |
| Corporate Governance Statement                                          | 60                  |
| Shareholder Information                                                 | 78                  |

# SABRE RESOURCES LTD

## COMPANY DIRECTORY

---

### DIRECTORS

Michael Scivolo  
Robert Collins  
David Chapman (until 29 June 2018)  
Basil Conti (from 29 June 2018)

### AUDITORS

Grant Thornton Audit Pty Ltd  
Central Park  
Level 43 152 -158 St Georges Terrace  
Perth WA 6000

### COMPANY SECRETARY

Graham Baldisseri

### BANKERS

Westpac Bank  
108 Stirling Highway  
Nedlands WA 6009

### REGISTERED OFFICE

Level 1, 8 Parliament Place  
West Perth WA 6005

Telephone: (08) 9481 7833  
Facsimile: (08) 9481 7835  
Email: [sabre@sabresources.com](mailto:sabre@sabresources.com)  
Website: [www.sabresources.com](http://www.sabresources.com)

### SHARE REGISTRY

Advanced Share Registry Limited  
110 Stirling Highway  
Nedlands WA 6009  
Telephone: (08) 9389 8033  
Facsimile: (08) 9262 3723

### SOLICITORS

Steinepreis Paganin  
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

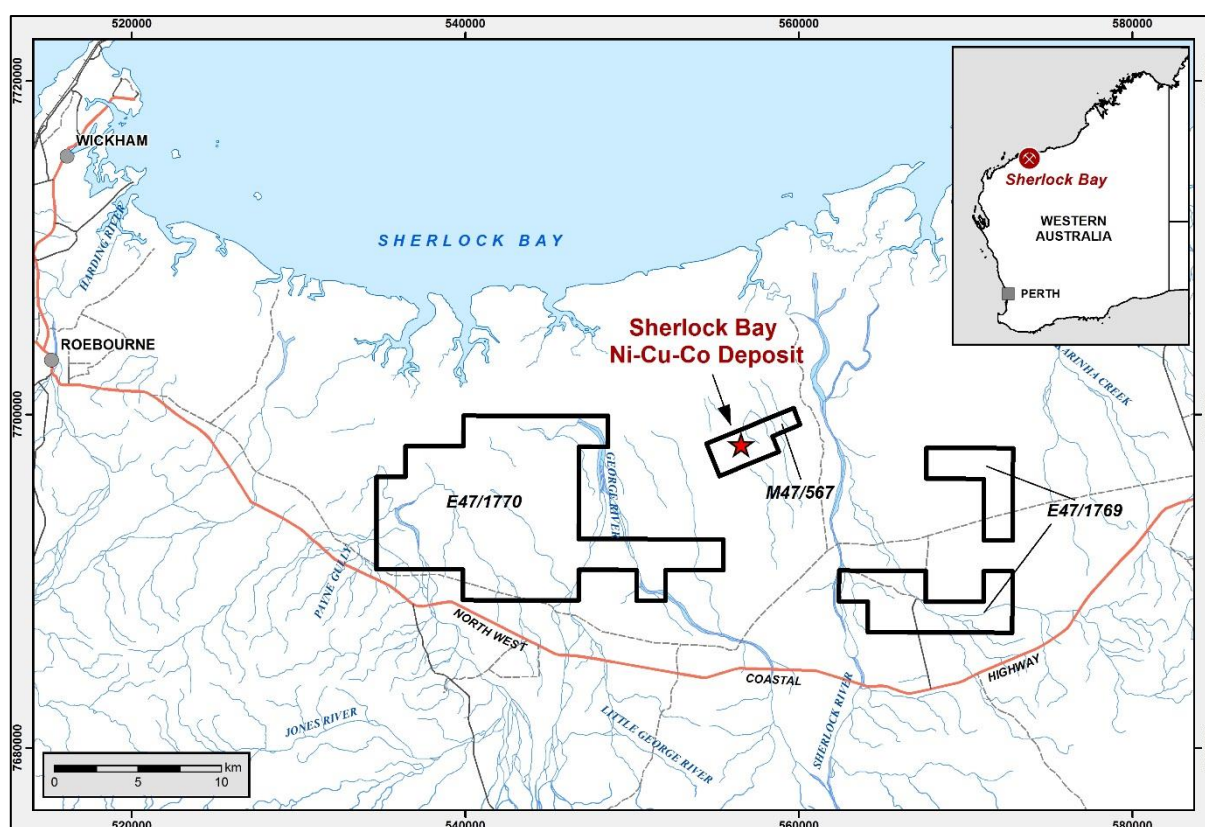
## REVIEW OF OPERATIONS

### Review of Operations

Sabre Resources Ltd, (the Company), advanced the Sherlock Bay Nickel Project in the western Pilbara region of Western Australia during the reporting period. This project contains the Sherlock Bay Nickel-Copper-Cobalt Deposit and is also considered prospective for conglomerate-hosted gold mineralisation. Exploration and development of the Otavi Mountain Land (OML) vanadium and base metal project continued in northern Namibia. Since the year end, the Company acquired three vanadium projects located in Western Australia through the acquisition of Kinetic Metals Pty Ltd.

### Sherlock Bay Project, Western Australia

During the period the Company executed a binding agreement to acquire a 70% interest in the Sherlock Bay Project located in the western Pilbara region of Western Australia. The Project is well-located, 12 km off Highway 1 between Roebourne and Port Hedland, with access to critical mining infrastructure. The Project tenements comprise two valid exploration licenses E47/1769 and E47/1770 and a mining lease M47/567 (Figure 1 and Appendix I).



**Figure 1:** Location map of the Sherlock Bay Project in Western Australia

### Sherlock Bay Nickel-Copper-Cobalt Deposit

Mining lease M47/567 contains the Sherlock Bay nickel-copper-cobalt deposit. The deposit is hosted within the Archaean West Pilbara Granite-Greenstone Belt. It comprises two main lenticular lodes (termed Discovery and Symond's Well, Figure 2) hosted within a sub-vertical to steep north dipping chert horizon with a combined strike length of 1,600 m. Mineralised widths are variable but in the

# SABRE RESOURCES LTD

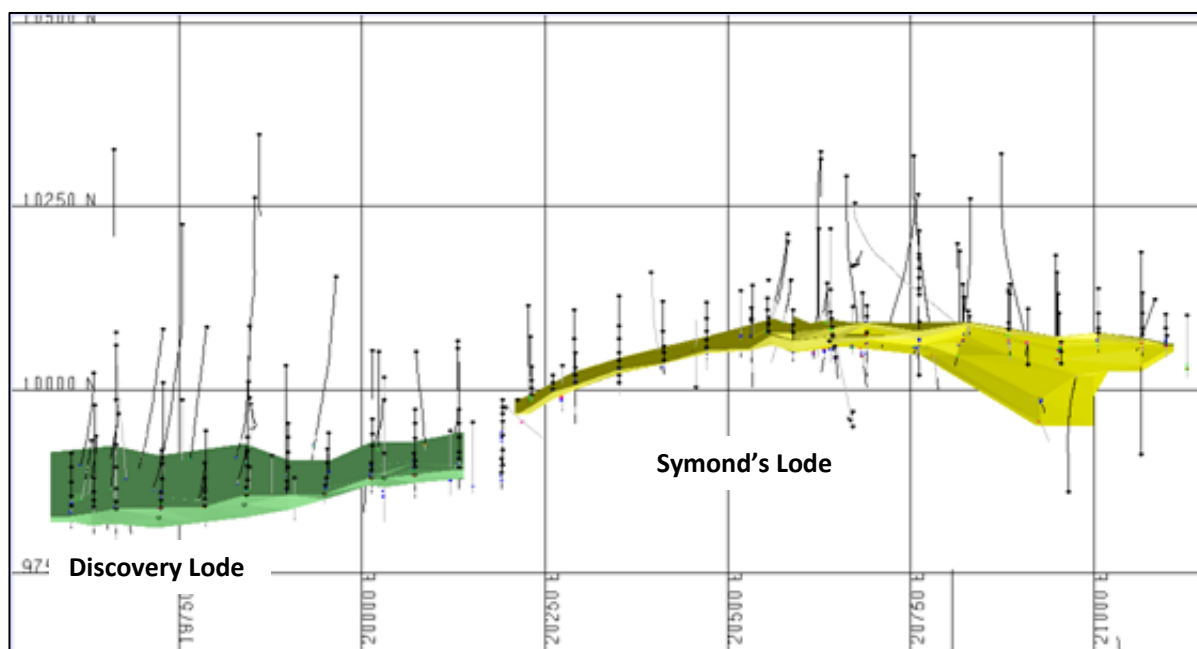
## REVIEW OF OPERATIONS

higher grade portions of the main zones can be up to 30 m and are continuous down dip in excess of 500 m in places.

The Sherlock Bay deposit was initially discovered and defined by Texas Gulf in the 1970's. Additional drilling was carried out by Sherlock Bay Nickel Corporation ("SBNC") between 2003 and 2007. The resource is now defined by a total of 201 drill holes for 31,092 m.



**Photograph 1:** Sherlock Bay Discovery Deposit looking east



**Figure 2:** Plan view of the Discovery and Symond's Well Lode wireframes and drill hole traces

## Resource Estimate

# SABRE RESOURCES LTD

## REVIEW OF OPERATIONS

An updated Mineral Resource estimate has been completed for the Sherlock Bay nickel-cobalt-copper deposit in compliance with the JORC Code 2012.

The updated total Mineral Resource (see Table 1) is 24.6 million tonnes grading 0.4% nickel, 0.09% copper and 0.02% cobalt. The deposit contains approximately 99,200 tonnes of nickel, 21,700 tonnes of copper and 5,400 tonnes of cobalt metal.

The Mineral Resources have been classified as Measured, Indicated and Inferred Mineral Resource in accordance with the JORC Code, 2012 Edition and are shown in Table 1.

**Table 1:** Sherlock Bay Ni Cu Co Deposit May 2018 Resource Estimate (0.15% Ni Cut-off)

| Discovery Lode           |             |             |             |              |               |               |              |
|--------------------------|-------------|-------------|-------------|--------------|---------------|---------------|--------------|
|                          | Tonnes Mt   | Ni%         | Cu%         | Co%          | Ni t          | Cu t          | Co t         |
| Measured                 | 3.90        | 0.33        | 0.10        | 0.025        | 12,900        | 4,100         | 1,000        |
| Indicated                | 6.3         | 0.39        | 0.11        | 0.025        | 24,200        | 6,700         | 1,600        |
| Inferred                 | 2.3         | 0.43        | 0.11        | 0.026        | 9,900         | 2,500         | 600          |
| <b>Total</b>             | <b>12.5</b> | <b>0.38</b> | <b>0.11</b> | <b>0.025</b> | <b>47,100</b> | <b>13,200</b> | <b>3,100</b> |
| Symond's High Grade Lode |             |             |             |              |               |               |              |
|                          | Tonnes Mt   | Ni%         | Cu%         | Co%          | Ni t          | Cu t          | Co t         |
| Indicated                | 2.80        | 0.56        | 0.08        | 0.022        | 15,600        | 2,300         | 600          |
| Inferred                 | 1.2         | 0.58        | 0.07        | 0.019        | 7,000         | 800           | 200          |
| <b>Total</b>             | <b>2.1</b>  | <b>0.63</b> | <b>0.08</b> | <b>0.024</b> | <b>13,200</b> | <b>1,600</b>  | <b>500</b>   |
| <b>Indicated</b>         | <b>6.1</b>  | <b>0.59</b> | <b>0.08</b> | <b>0.022</b> | <b>35,700</b> | <b>4,700</b>  | <b>1,300</b> |
| Symond's Low Grade Lode  |             |             |             |              |               |               |              |
|                          | Tonnes Mt   | Ni%         | Cu%         | Co%          | Ni t          | Cu t          | Co t         |
| Measured                 | 2.50        | 0.26        | 0.08        | 0.019        | 6,500         | 2,000         | 500          |
| Indicated                | 1.7         | 0.26        | 0.05        | 0.013        | 4,400         | 800           | 200          |
| Inferred                 | 1.9         | 0.29        | 0.04        | 0.012        | 5,400         | 800           | 200          |
| <b>Total</b>             | <b>6.1</b>  | <b>0.27</b> | <b>0.06</b> | <b>0.016</b> | <b>16,400</b> | <b>3,700</b>  | <b>900</b>   |
| Total Deposit            |             |             |             |              |               |               |              |
|                          | Tonnes Mt   | Ni%         | Cu%         | Co%          | Ni t          | Cu t          | Co t         |
| Measured                 | 12.48       | 0.38        | 0.11        | 0.025        | 47,100        | 13,200        | 3,100        |
| Indicated                | 6.1         | 0.59        | 0.08        | 0.022        | 35,700        | 4,700         | 1,300        |
| Inferred                 | 6.1         | 0.27        | 0.06        | 0.016        | 16,400        | 3,700         | 900          |
| <b>Total</b>             | <b>24.6</b> | <b>0.40</b> | <b>0.09</b> | <b>0.022</b> | <b>99,200</b> | <b>21,700</b> | <b>5,400</b> |

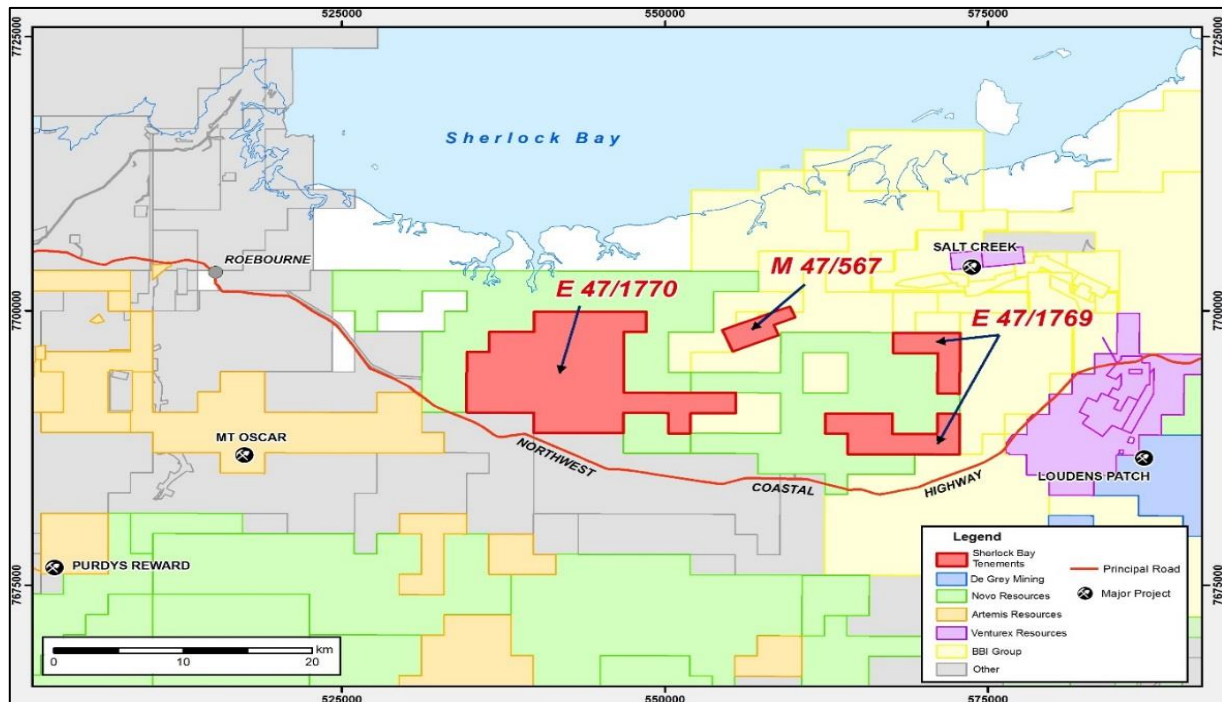
(Note that rounding discrepancies may occur in summary tables)

## Feasibility Studies

Extensive previous exploration and development work has been completed on the Sherlock Bay Project and Sabre has obtained access to all these data for the deposit. Feasibility-level studies that have been completed by previous owners indicate that potential exists to develop a mining and heap leach processing operation and that nickel recoveries exceeding 90% are achievable.

# SABRE RESOURCES LTD

## REVIEW OF OPERATIONS



**Figure 3:** Current tenement status map for the Sherlock Bay Project and surrounding area, source: WA Department of Mines, Industry Regulation and Safety

### Conglomerate-hosted Gold

The Sherlock Bay Project also covers highly sought after ground that has potential for conglomerate-hosted gold mineralisation. The project area is almost totally surrounded by tenements held by Novo Resources Inc. on all sides (Figure 3). It sits strategically within the conglomerate-gold search area adjacent to and to the east of ground held by Artemis Resources Ltd and to the west of ground held by De Grey Mining Ltd. No prior exploration for gold has been undertaken in the project area. The Company intends to immediately commence exploration for conglomerate-hosted gold mineralisation.

### Otavi Mountain Land copper and base metal project, Namibia

The Project is located in the Otavi Mountain Land (OML) metallogenic province (Figure 4), historically a globally important source of copper, zinc, lead, and vanadium. The OML has a long mining history dating back to the late 1800's and consequently has excellent infrastructure, including roads, power, water, rail to port and the Tsumeb base metal smelter complex, one of only five operating copper smelters in Africa.

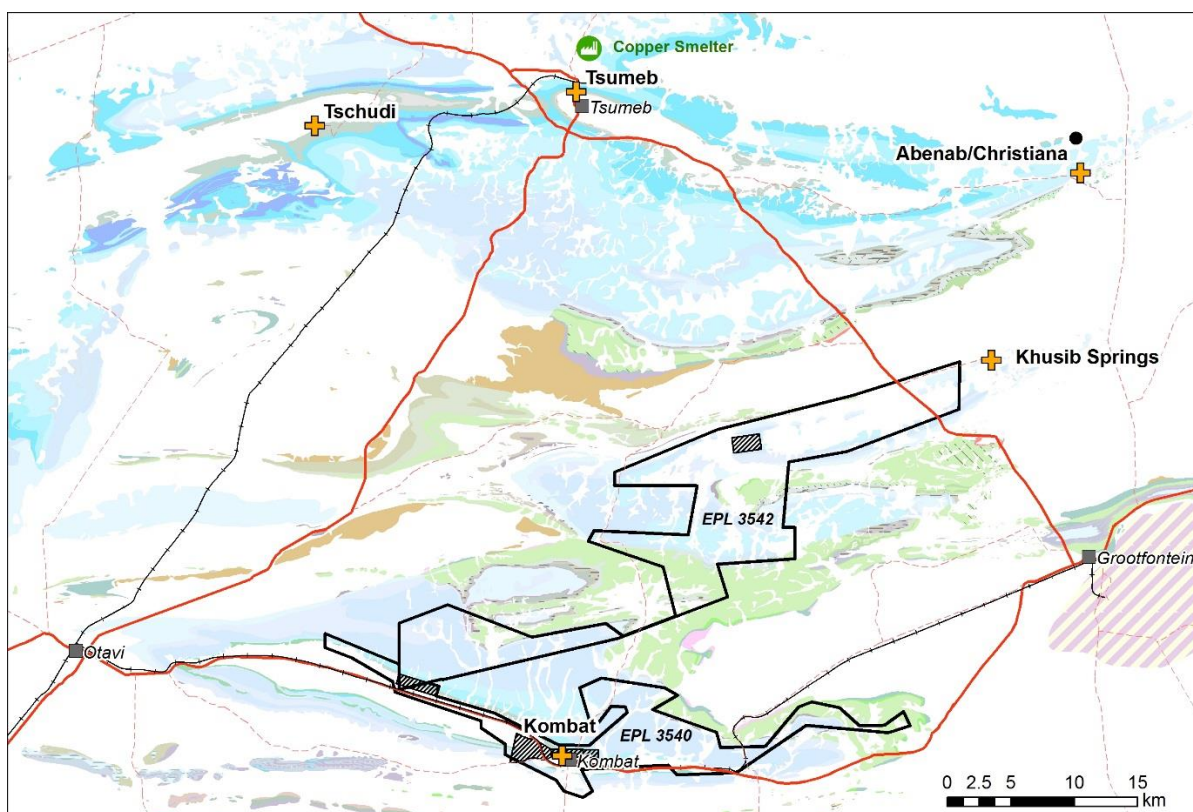
No field work was completed on the Company's projects during the reporting period due to delays obtaining renewals of the relevant exploration tenements in Namibia from the Ministry of Mining and Energy. The Company's Exclusive Prospecting Licence (EPL) No. 3540 was renewed by the MME in August 2017 (Appendix I).

The lengthy delay in obtaining renewals for the tenements has impacted on the ability of the Company to progress its exploration and access the capital markets. The Company now has security of tenure and can proceed with its exploration and also consider other options such as farm-in or joint venture arrangements.

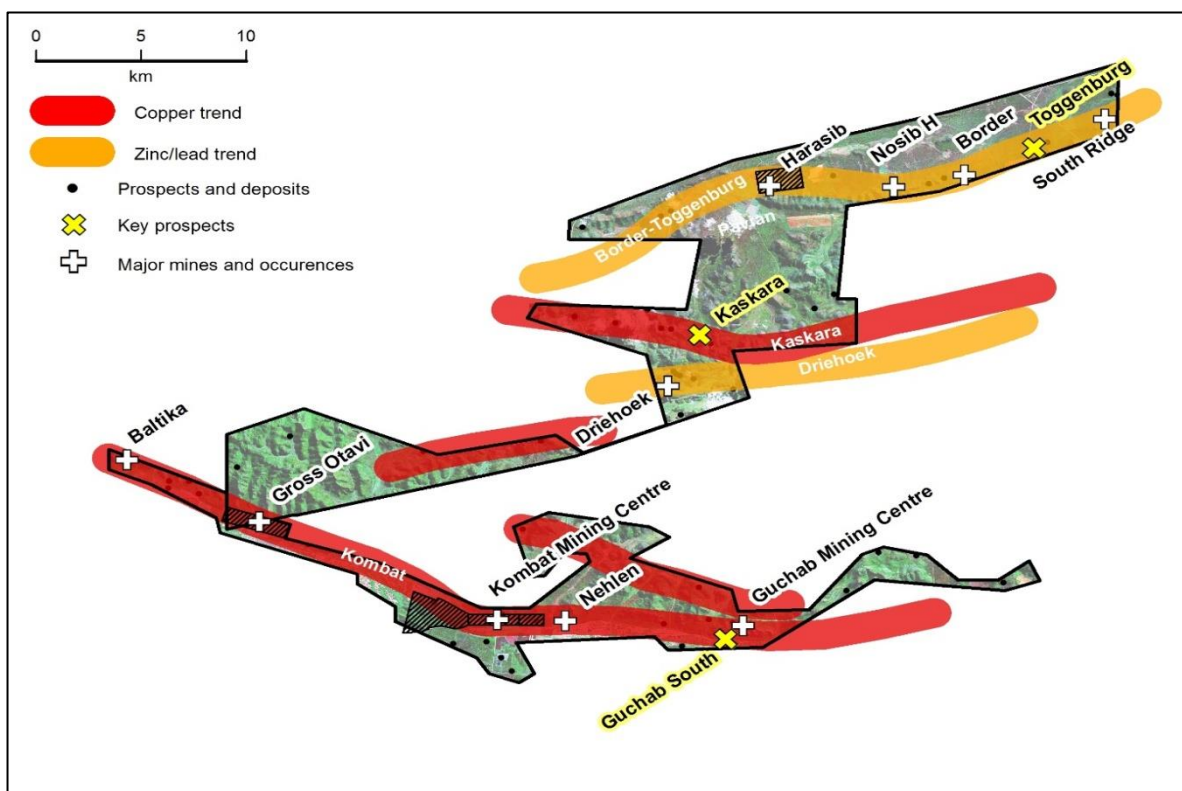


# SABRE RESOURCES LTD

## REVIEW OF OPERATIONS



**Figure 4:** Location map of the Sabre Resources Limited Exclusive Prospecting Licences (EPL's) in the Otavi Mountain Land, northern Namibia



**Figure 5:** Schematic diagram of copper and zinc-lead mineralised trends within the Sabre tenements, showing key prospect areas and major mines and mineral occurrences



# SABRE RESOURCES LTD

## REVIEW OF OPERATIONS

### Zinc-lead-silver projects

The significant upward trend in the zinc price continued over the last quarters supporting the ongoing review of the zinc and lead opportunities within the Otavi Mountain Land project. A summary of these opportunities is provided below.

#### **Border Zn-Pb-Ag Deposit**

Sabre's Border Zn-Pb project has a JORC 2012 Inferred Resource of 16.0Mt @ 1.53% Zn, 0.59% Pb and 4.76g/t Ag is located within a 25km significant regional zinc-lead anomalous corridor (Figure 5), which hosts a number known occurrences including Border, Toggenburg and South Ridge to the East, and Harasib to the west (Figure 6).

In light of the increase in the zinc price, a review of the capital and operating cost assumptions in the 2011 Scoping Study completed at Border continued. Metallurgical sighter testwork on a bulk sample conducted for that study shows that the mineralisation responds very favourably to Heavy Media Separation ('HMS'). Border mineralisation upgrades with HMS, before grinding and flotation, to a product of 12.5% Zn + 6.3% Pb with recoveries of 86% and 92.5% respectively.

#### **Toggenburg Zn-Pb-Ag prospect**

Toggenburg is located along strike from Border, and is interpreted to be controlled by the same structures (Figure 6).

Anomalies defined at Toggenburg measure over 2.8 km long and up to 250 m wide and are open to the east and west. The 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.

Maximum combined zinc and lead values identified in shallow geochemical drilling at Toggenburg are in excess of 2.9%. Four targets have been selected for reverse circulation drilling. It is expected that, like the Border Zn-Pb deposit to the west, mineralisation will dip to the north-northwest, parallel to the host dolomite sequence.



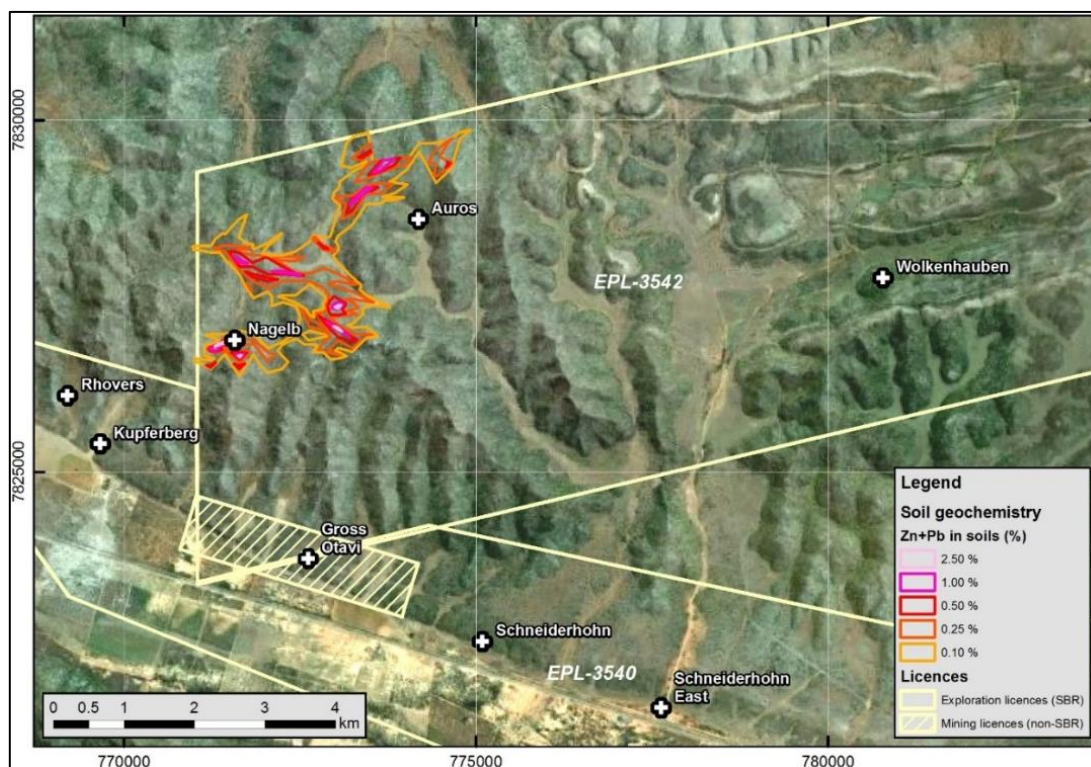
**Figure 6:** Sabre's Border and Toggenburg Zn-Pb projects are located along the Border-Toggenburg Corridor which hosts anomalous zinc and lead mineralisation over 25km

# SABRE RESOURCES LTD

## REVIEW OF OPERATIONS

### Auros

Sabre's regional soil sampling programs have identified significant zinc-lead anomalism in the Auros area which is the possible western limit of a regional zinc-lead anomalous corridor extending east for about 20km. Over 1,087 samples were collected resulting in the definition of the Auros zinc-lead anomaly which covers over 300 hectares, measuring over 2.5 km by 5.0 km (Figure 7).



**Figure 7:** The Auros Zinc-Lead anomaly

The Auros anomaly has been defined using a 0.1% Zn+Pb cutoff (as at Toggenburg) and contains a peak value of 8.25 % Zn+Pb (6.30 % Zn and 1.95 % Pb – determined by portable XRF) near the historic Nageib workings. Numerous percentage-grade results were obtained in areas with no known historic mining activity. One such area, which recorded soil values up to 4.65 % Zn+Pb (3.20 % Zn and 1.45 % Pb), exhibits outcropping brecciated and disseminated sphalerite and galena mineralisation.

Detailed interpretation of high-resolution aeromagnetic data over the Auros area shows that bedding and its interaction with several important cross-cutting structures seem to control the distributions of intense zinc and lead anomalism throughout the area.

### Vanadium Projects

#### Baltika

Baltika is located within and toward the west of Sabre's EPL 3540 and the historical mine produced 5,820t of concentrate grading 9% vanadium pentoxide between 1931 and 1942. Vanadium mineralisation is associated with east-west trending zinc- and lead-bearing structures proximal to the contact which hosts the Kombat and Guchab Cu-Zn-Pb mining centres to the east within the Kombat Corridor.

# SABRE RESOURCES LTD

## REVIEW OF OPERATIONS

### Copper Projects

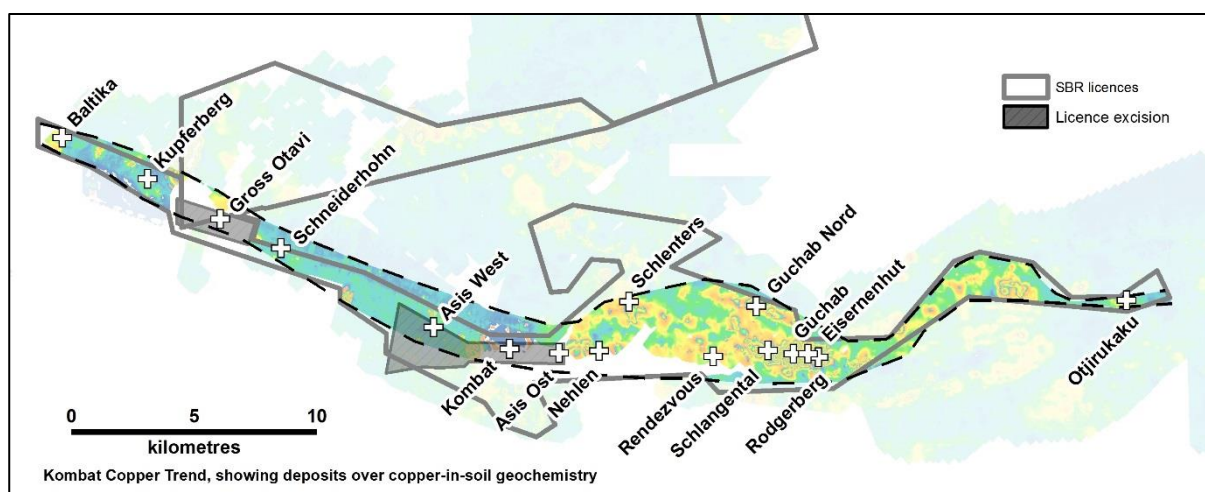
Sabre has defined copper mineralisation in two major trends with potential for Tsumeb, Kipushi and Kombat breccia-style massive sulphide pipes, and Tschudi-style stratiform mineralisation.

#### Kombat Copper Trend

Copper in geochemical drilling at Guchab South has identified visible chalcocite and malachite over an 850m by 100m zone which is located along trend east of the Kombat Copper Mine.

The disseminated copper mineralisation at Guchab South is interpreted to be a possible halo to potentially more massive mineralisation down plunge. Initial results show that the mineralisation has a shallow westerly plunge. The down-plunge mineralised zone is interpreted to be overlain by the subsurface shale/dolomite contact.

Mineralisation at Guchab South is very similar to that at the Kombat Copper Mine located 10 km to the west. At Guchab South, copper sulphide mineralisation is hosted within hydraulic breccias that are often observed to be structurally controlled. Mineralised breccia zones are directly associated with various styles of alteration including silicification and calcitisation. Promisingly, hydrothermal calcite is manganese-rich, as it is in the major copper deposits of the region.



**Figure 8:** Map of the Kombat Copper Trend, showing prospect areas and historical mines overlain on copper soil geochemistry

#### Kaskara Trend

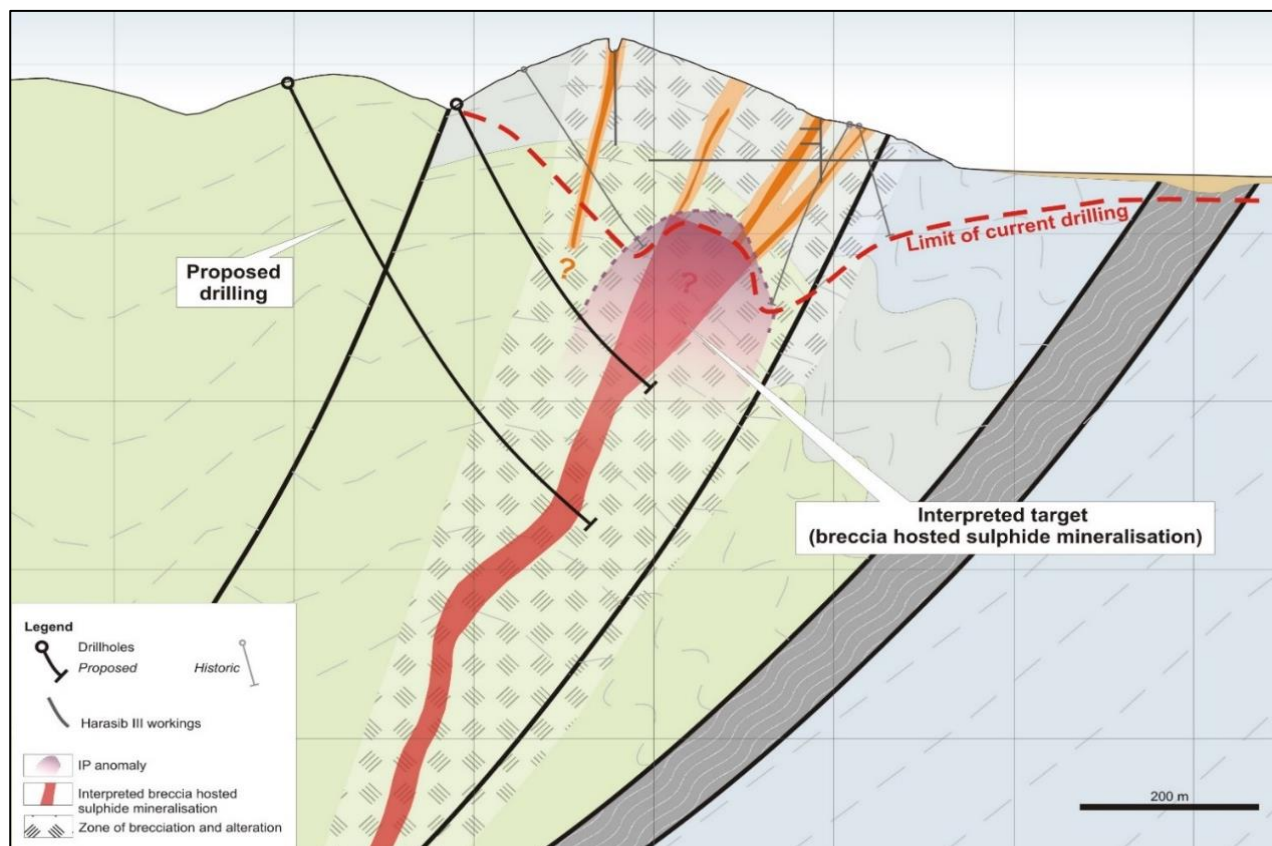
The Kaskara copper-lead-zinc-vanadium prospect is considered to have potential for a large Tsumeb-style deposit. It was historically mined for vanadium and has shown very high grades of Cu, Pb, Zn and  $V_2O_5$  in underground channel samples and RC percussion drilling.

Within the deposit, there is extensive alteration around numerous Pb, Zn, Cu, and V rich gossan-like breccias. A deep, funnel-shaped weathering profile, typical of shallow zones of major deposits of the region, is developed on the deposit. Extensive IP anomalism over several hundred metres laterally at depth, suggesting extensions of the mineralised zones (Figure 9).



# SABRE RESOURCES LTD

## REVIEW OF OPERATIONS



**Figure 9:** Schematic cross section of the Kaskara Cu-Zn-Pb-V mine and geology showing possible deeper extensions of the mineralised zone

### Corporate and Tenement Management

Renewal applications for both EPL 3540 and EPL 3542 were submitted to the Ministry of Mining and Energy (MME) in September 2018.

The Namibian government continues to consider a draft New Equitable Economic Empowerment Framework (NEEEF) proposal seeking to give Namibian citizens greater opportunities to participate in the economic development of their country. It is still not clear at this stage what the final form of the legislation, if enacted, may take and it may have implications for the Company's future activities in Namibia.

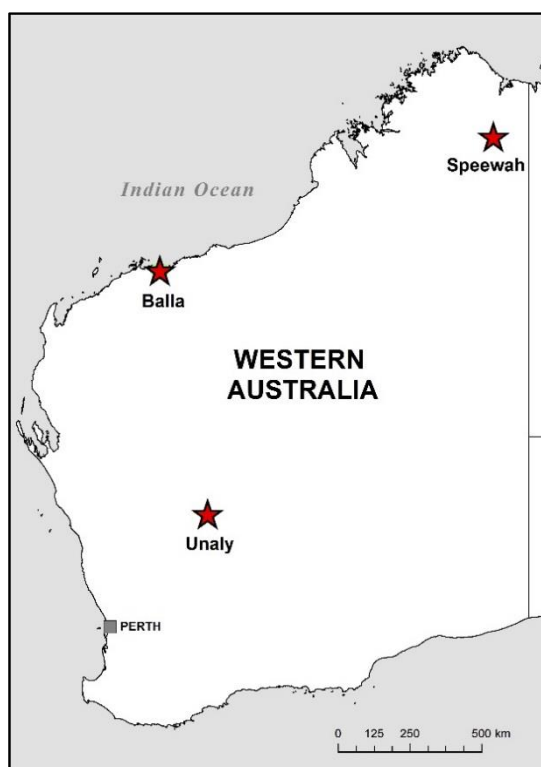
It is further noted that the Department of Mines and Minerals have indicated that a condition for the renewal of licences include at least 5% ownership by a Namibian person or a company wholly owned by Namibians and a minimum 20% representation of historically disadvantaged Namibians. Management has indicated that the abovementioned conditions will be complied with in order to obtain relevant renewals.

# SABRE RESOURCES LTD

## REVIEW OF OPERATIONS

### WA Vanadium Projects

During the reporting period the Company conducted a due diligence on Kinetic Metals Pty Ltd. Kinetic Metals Pty Ltd is the holder of a 100% interest in each of the Speewah, Unaly and Balla Vanadium projects, all located in Western Australia (Figure 10). Subsequent to the year end the Company acquired 100% Kinetic Metals Pty Ltd.



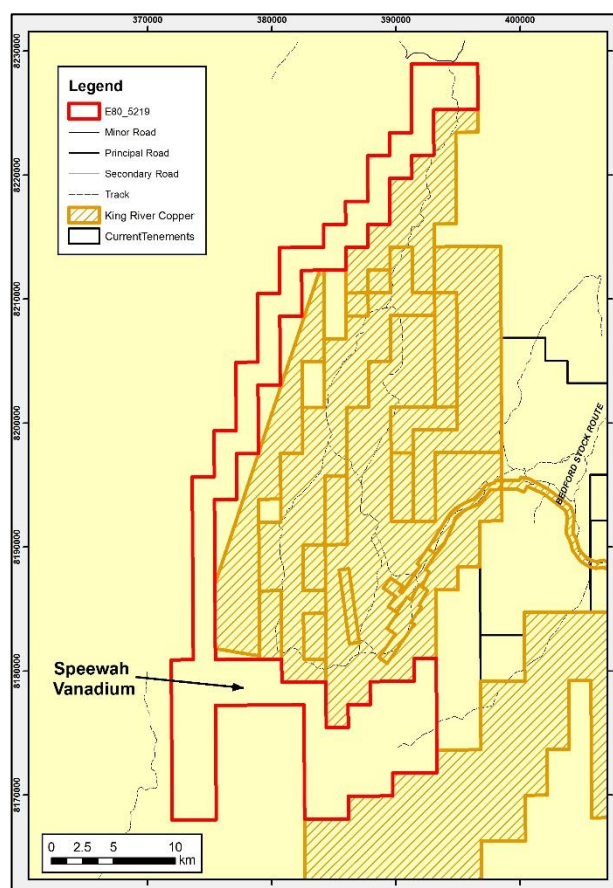
All three projects are currently exploration licence applications which have not yet been granted by the WA Department of Mines, Industry Regulation and Safety (DMIRS).

Figure 10: Kinetic Metals project location map

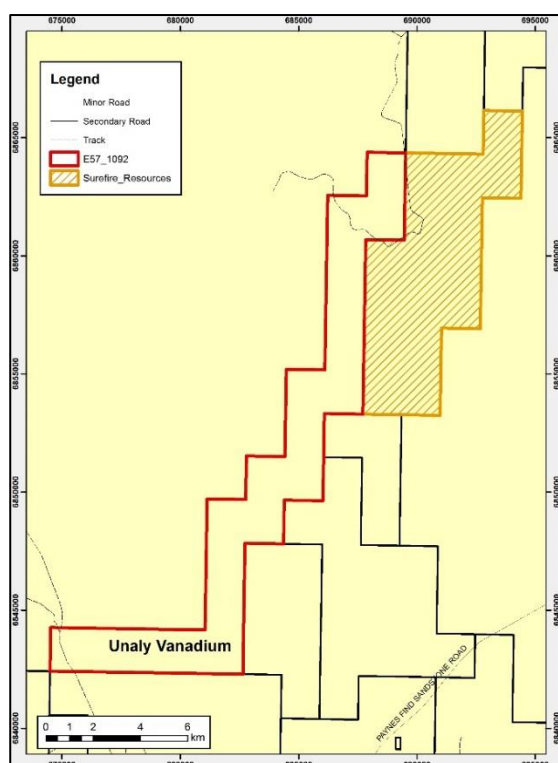
### Speewah Vanadium Project

The Speewah Vanadium Project is located adjacent to and adjoins the area that contains the King River Copper Limited Speewah Dome project which hosts a JORC resource of 4.7 Bt at 0.3%  $V_2O_5$  and 2%  $TiO_2$ .

The Speewah project is comprised of an exploration license application (EL80/5219) of 89 graticular blocks covering an area of 292.15 km<sup>2</sup> (Figure 11). The project is located in the eastern Kimberley region of Western Australia, approximately 100 km southwest of Kununurra.



**Figure 11:** Speewah Vanadium Project location map



### **Unaly Vanadium Project**

The Unaly Vanadium Project is located adjacent to and adjoins the area that contains the Surefire Resources Limited Unaly Hill project which hosts a JORC resource of 86 Mt at 0.42%  $V_2O_5$ .

The Unaly Project is comprised of an exploration license application (EL57/1092) of 20 graticular blocks covering an area of 60.31 km<sup>2</sup> (Figure 12). The project is located in the Murchison district of Western Australia, approximately 65 km southwest of the town of Sandstone.

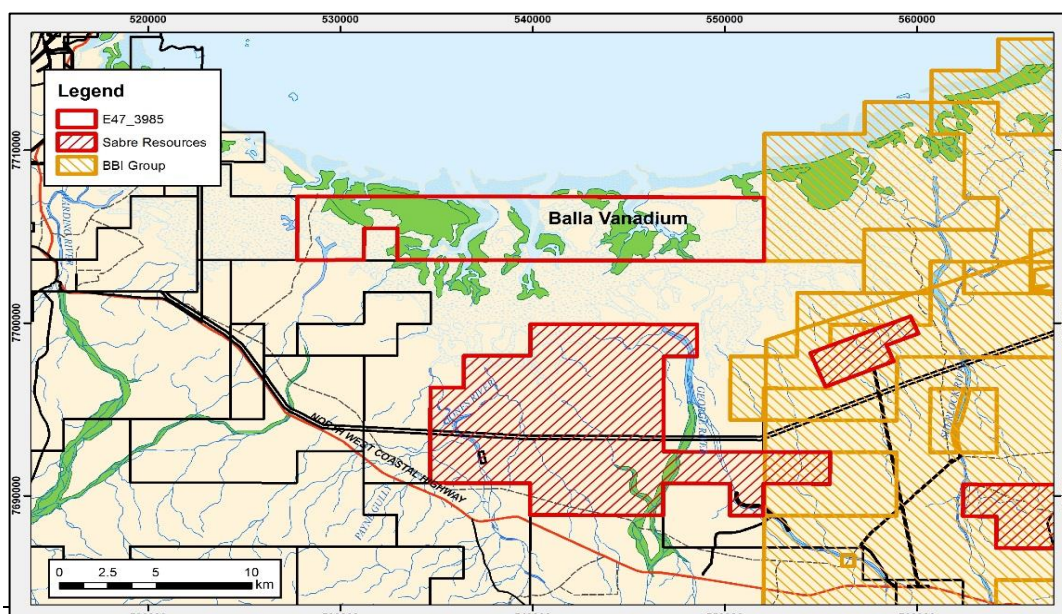
**Figure 12:** Unaly Vanadium Project location map

### **Balla Vanadium Project**

The Balla Vanadium Project is prospective for mineralisation similar to the Forge Resources Limited Balla-Balla vanadium-titanium project being developed by BBI Group which hosts a JORC resource of 456Mt at 0.65%  $V_2O_5$  and 13.7%  $TiO_2$ .

The Balla Project is comprised of an exploration license application (EL47/3985) of 27 graticular blocks covering an area of 86.33 km<sup>2</sup> (Figure 13). The project is located approximately 5 km north of the Sherlock Bay Project in the western Pilbara district of Western Australia.

**Figure 13:** Balla Vanadium Project location map





# SABRE RESOURCES LTD

## REVIEW OF OPERATIONS

### Appendix I – Sabre Tenement Schedule

| Country   | State/Region | Project             | Tenement ID | Area (km <sup>2</sup> ) | Date Granted | Date Expires | Interest |
|-----------|--------------|---------------------|-------------|-------------------------|--------------|--------------|----------|
| Namibia   | Otjozondjupa | Otavi Mountain Land | EPL3540     | 110.98                  | 30/10/2006   | 29/10/2018   | 80%      |
|           |              |                     | EPL3542     | 236.90                  | 30/10/2006   | 29/10/2018   | 70%      |
| Australia | WA           | Sherlock Bay        | M47/567     | 10.0                    | 07/09/2004   | 22/09/2025   | 70%      |
|           |              |                     | E47/1769    | 44.7                    | 07/09/2009   | 06/09/2019   | 70%      |
|           |              |                     | E47/1770    | 134.3                   | 07/09/2009   | 06/09/2019   | 70%      |
| Australia | WA           | Balla               | E47/3985*   | 86.33                   | -            | -            | -        |
|           |              | Unaly               | E57/1092*   | 60.31                   | -            | -            | -        |
|           |              | Speewah             | E80/5219*   | 292.15                  | -            | -            | -        |

\* Exploration License Applications

### Competent Person Declaration

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Lachlan Reynolds, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Reynolds is a consultant to Sabre Resources Limited and 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 "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Reynolds 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 Limited'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 Resources Limited 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 2018.

### DIRECTORS

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

Michael Scivolo  
Robert Collins  
David Chapman (resigned 29 June 2018)  
Basil Conti (appointed 29 June 2018)

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

| Director        | Shares | Options |
|-----------------|--------|---------|
| Michael Scivolo | -      | -       |
| Robert Collins  | -      | -       |
| David Chapman   | -      | -       |
| Basil Conti     | -      | -       |

### 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 \$554,063 (2017: \$913,385).

### FINANCIAL POSITION

The net assets of the Group have increased by \$1,041,251 from \$25,267,731 at 30 June 2017 to \$26,308,982 at 30 June 2018.

### 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) The qualifications and experience of the Board of Directors and Company Secretary are as follows:-

(i) Michael Scivolo BCom, FCPA (Non-Executive Director)

Mr Scivolo has extensive experience in the fields of accounting and taxation in both corporate and non-corporate entities. He was a Director of Blaze International Limited until 4 December 2015, K2Fly Ltd (formerly Power Resources Limited) until 17 November

# SABRE RESOURCES LTD

## DIRECTORS' REPORT

---

2016 and Covata Ltd (formerly Prime Minerals Limited) until 29 October 2014. He is currently a Director of Metals Australia Ltd and Golden Deeps Limited.

(ii) Robert Collins

Mr Collins has served on a number of ASX listed industrial and mining company boards, and owned a large accounting practice serving the corporate sector. He was a Director of Covata Ltd (formerly Prime Minerals Limited) until 29 October 2014, K2Fly Ltd (formerly Power Resources Limited) until 17 November 2016 and Blaze International Limited until 8 April 2016. Mr Collins is currently a Non-Executive Director of Metals Australia Ltd and Golden Deeps Limited.

(iii) David Chapman BSc (Geol) (Hons) (Managing Director until 31 October 2016 and then Non-Executive Director until his resignation on 29 June 2018.

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 until his resignation on 11 January 2016. Mr Chapman resigned as a director of the company on the 29 June 2018.

(iv) Basil Conti FCA

Mr Conti is a fellow of the Institute of Chartered Accountants Australia & NZ and was a partner/director of a Chartered Accounting firm in West Perth until 2015. Mr Conti is experienced in management accounting, taxation, secretarial practice, corporate and financial planning, consulting to small and large businesses and has been associated with the mining industry in a professional capacity for some 25 years.

He is a director of Sheila Foundation Limited. Mr Conti was appointed as a director on the 29 June 2018.

b) The following persons acted as Company Secretary during the financial year:-

(i) Graham Baldisseri BBus CPA GDipAppFin (SecInst)

Mr Baldisseri is a CPA, with a Bachelor of Business degree and a Graduate Diploma of a Applied Finance and Investment (Corporate Finance). He has had over 31 years management, corporate advisory, finance and accounting and company secretarial experience working for several listed and unlisted companies. Mr Baldisseri is also the Chief Financial Officer of the Company. Mr Baldisseri was appointed 31 January 2018.

(ii) Paul Fromson BCom CPA

Mr Fromson is a CPA and licensed Tax Agent. He has been involved in the resources industry since 1987. Mr Fromson has held a range of senior roles with ASX listed entities including CFO, Company Secretary and Director. Mr Fromson was appointed on 11 July 2017 and resigned 31 January 2018.

(iii) Mr Norman Grafton retired and ceased as Company Secretary on 11 July 2017

# SABRE RESOURCES LTD

## DIRECTORS' REPORT

---

### REMUNERATION REPORT (AUDITED)

Details of Key Management Personnel (KMP) as at 30 June 2018 were:-

| <b>Key Management Personnel</b> | <b>Position</b>        |
|---------------------------------|------------------------|
| M Scivolo                       | Non-Executive Director |
| D Chapman                       | Non-Executive Director |
| R Collins                       | Non-Executive Director |
| B Conti                         | Non-Executive Director |

Mr Scivolo was in office the entire year.

Mr Collins was in office the entire year.

Mr Chapman resigned on the 29 June 2018

Mr Conti was appointed on 29 June 2018

There are no committees of directors.



# SABRE RESOURCES LTD

## DIRECTORS' REPORT

### KMP Remuneration

#### 2018

| Key Management Personnel | Short-term Benefits |                            | Superannuation | Share-based Payment | Total         | Percentage of remuneration paid in Equity |
|--------------------------|---------------------|----------------------------|----------------|---------------------|---------------|-------------------------------------------|
|                          | Director's Fees     | Salaries & Consulting Fees |                |                     |               |                                           |
|                          | \$                  | \$                         |                |                     |               | %                                         |
| M Scivolo                | 12,000              | 1,340                      | -              | -                   | 13,340        | -                                         |
| D Chapman                | 12,000              | -                          | -              | -                   | 12,000        | -                                         |
| R Collins                | 12,000              | -                          | -              | -                   | 12,000        | -                                         |
| B Conti                  | -                   | -                          | -              | -                   | -             | -                                         |
|                          | <b>36,000</b>       | <b>1,340</b>               |                |                     | <b>37,340</b> |                                           |

The directors fees disclosed above were based on Directors entitlements and includes actual payments and entitlements accrued but not paid. As at 30 June 2018 there were no amounts owing to directors.

#### 2017

| Key Management Personnel         | Short-term Benefits |                            | Superannuation | Share-based Payment | Total         | Percentage of remuneration paid in Equity |
|----------------------------------|---------------------|----------------------------|----------------|---------------------|---------------|-------------------------------------------|
|                                  | Director's Fees     | Salaries & Consulting Fees |                |                     |               |                                           |
|                                  | \$                  | \$                         |                |                     |               | %                                         |
| M Scivolo                        | 9,000               | -                          | 4,140          | -                   | 13,140        | -                                         |
| D Chapman                        | 48,000              | -                          | -              | -                   | 48,000        | -                                         |
| J Downes (until 7 December 2016) | 5,260               | -                          | -              | -                   | 5,260         | -                                         |
| R Collins (from 7 December 2016) | 6,773               | -                          | -              | -                   | 6,773         | -                                         |
|                                  | <b>69,033</b>       | <b>-</b>                   | <b>4,140</b>   | <b>-</b>            | <b>73,173</b> | <b>-</b>                                  |

No options were held by any KMP during the period under review.

# 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<br>1 July 2017 | Granted as<br>Compensation | Issued on<br>Exercise of<br>Options During<br>the Year | Other Changes<br>During the Year | Balance<br>30 June 2018 |
|--------------|------------------------|----------------------------|--------------------------------------------------------|----------------------------------|-------------------------|
| M Scivolo    | -                      | -                          | -                                                      | -                                | -                       |
| R Collins    | 250,000                | -                          | -                                                      | (250,000)                        | -                       |
| D Chapman    | -                      | -                          | -                                                      | -                                | -                       |
| B Conti      | -                      | -                          | -                                                      | -                                | -                       |
| <b>Total</b> | <b>250,000</b>         | <b>-</b>                   | <b>-</b>                                               | <b>(250,000)</b>                 | <b>-</b>                |

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 and Executives received no benefits in the form of share-based payments during the year ended 30 June 2018.

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 2017. The Company did not receive specific feedback at the AGM regarding its remuneration practices.

### END OF REMUNERATION REPORT

# SABRE RESOURCES LTD

## DIRECTORS' REPORT

### ANALYSIS OF MOVEMENT IN SHARES

During the year the Company conducted a capital raisings and also issued shares as consideration for the acquisition of tenements or for services rendered as follows:

|                                          | Number      | \$         |
|------------------------------------------|-------------|------------|
| Opening balance 1/7/2017                 | 251,472,228 | 52,325,045 |
| Issue to acquire tenements on 22/03/2018 | 12,000,000  | 180,000    |
| Placement on 03/05/2018                  | 105,868,052 | 1,588,021  |
| Capital raising costs on above placement | -           | (122,917)  |
| 30 June 2018                             | 369,340,280 | 53,970,149 |

### ANALYSIS OF MOVEMENT IN OPTIONS

During the year a number of options were granted as follows:

| Class                                                      | Balance<br>1 July 2017 | Issued During<br>Year | Exercised or<br>expired during<br>year | Balance<br>30 June 2018 |
|------------------------------------------------------------|------------------------|-----------------------|----------------------------------------|-------------------------|
| Exercisable at 2.5 cents<br>each on or before<br>1/8/2018  | 112,500,000            | 37,000,000            | -                                      | 149,500,000             |
| Exercisable at 1.5 cents<br>each on or before<br>1/12/2021 | Nil                    | 133,000,000           | -                                      | 133,000,000             |
|                                                            |                        | <b>170,000,000</b>    |                                        | <b>282,500,000</b>      |

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.

### MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2018, and the number of meetings attended by each Director.

| Name            | Eligible to attend | Attended |
|-----------------|--------------------|----------|
| Michael Scivolo | 2                  | 2        |
| Robert Collins  | 2                  | 2        |
| David Chapman   | 2                  | 2        |
| Basil Conti     | -                  | -        |

The Directors did not hold any directors meetings as such during the year and business was conducted via ten Circular Resolutions.

# **SABRE RESOURCES LTD**

## **DIRECTORS' REPORT**

---

### **RETIREMENT, ELECTION AND CONTINUATION OF OFFICE OF DIRECTORS**

Mr David Chapman retired by rotation as a Director at the Annual General Meeting on 30 November 2017 and was re-elected.

Mr Robert Collins retired, (after filling a casual vacancy), as a Director at the Annual General Meeting on 30 November 2017 and was re-elected.

Mr Michael Scivolo who is retiring by rotation, will offer himself for re-election at the forthcoming Annual General Meeting.

### **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.

### **EVENTS SUBSEQUENT TO REPORT DATE**

During the reporting period the Company announced it was conducting a due diligence on Kinetic Metals Pty Ltd. Kinetic Metals Pty Ltd is the holder of a 100% interest in each of the Speewah, Unaly and Balla Vanadium projects, all located in Western Australia. Subsequent to the year end the Company acquired 100% Kinetic Metals Pty Ltd.

No matters or circumstances have arisen since the end of the financial year, except as reported in the following paragraphs, which significantly affect, or could significantly affect, the operations of the consolidated group, the results of these operations, or the state of affairs of the consolidated group in future 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. Details of the amount of the premium paid in respect of the Directors and Officers insurance policy is not disclosed as such disclosure is prohibited under the terms of the contract.

### **SHARE OPTIONS**

As at the date of this report, there are 133,000,000 options with an expiry of 1 December 2021 on issue, 149,500,000 options expired on 1 August 2018.

### **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 59.

### 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 27th day of September 2018

Perth, Western Australia



# SABRE RESOURCES LTD

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

|                                                                 | Notes | Consolidated<br>2018<br>\$ | 2017<br>\$       |
|-----------------------------------------------------------------|-------|----------------------------|------------------|
| <b>Other Income</b>                                             | 5     | 140,221                    | 50,311           |
| <b>Expenditure</b>                                              |       |                            |                  |
| Management fees                                                 |       | 188,002                    | 282,000          |
| Reimbursable Costs payable to Management Company                |       | 239,714                    | 175,827          |
| Directors' fees and services                                    | 7     | 37,140                     | 73,173           |
| Other expenses                                                  |       | 176,589                    | 149,154          |
| Employee benefits expense                                       |       | 31,667                     | 29,143           |
| Depreciation                                                    | 10    | 14,270                     | 30,550           |
| Provision for doubtful debt                                     |       | 6,902                      | 219,345          |
| Fair value movement – financial assets                          |       | -                          | 3,603            |
| Impairment of exploration assets                                | 11    | -                          | 901              |
| Exploration costs                                               |       | -                          | -                |
|                                                                 |       | <b>694,284</b>             | <b>963,696</b>   |
| <b>Profit/(Loss) before income tax</b>                          |       | (554,063)                  | (913,385)        |
| Income tax benefit                                              | 4     | -                          | -                |
| <b>Profit/(Loss) after income tax</b>                           | 15    | <b>(554,063)</b>           | <b>(913,385)</b> |
| <b>Other comprehensive (loss), net of tax</b>                   |       |                            |                  |
| Items that may be subsequently transferred to profit or loss:   |       |                            |                  |
| Exchange differences on translating foreign controlled entities | 16    | (100,649)                  | 897,233          |
| <b>Total comprehensive profit/(loss) for the year</b>           |       | <b>(654,712)</b>           | <b>(16,152)</b>  |
| <b>Earnings per share</b>                                       |       | <b>Cents</b>               | <b>Cents</b>     |
| Basic Earnings / (Loss) per share                               | 18    | (0.0020)                   | (0.0036)         |
| Diluted Earnings / (Loss) per share                             | 18    | (0.0020)                   | (0.0036)         |

Diluted earnings / (loss) per share has not been shown as the exercise of options would not be dilutive on earnings.

The accompanying notes form part of these financial statements

# SABRE RESOURCES LTD

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

|                                        | Notes  | Consolidated<br>2018<br>\$ | 2017<br>\$        |
|----------------------------------------|--------|----------------------------|-------------------|
| <b>CURRENT ASSETS</b>                  |        |                            |                   |
| Cash and cash equivalents              | 8      | 1,207,263                  | 66,579            |
| Trade and other receivables            | 9      | 66,628                     | 48,227            |
| Financial assets                       |        | -                          | 11,063            |
| <b>TOTAL CURRENT ASSETS</b>            |        | <u>1,273,891</u>           | <u>125,869</u>    |
| <b>NON-CURRENT ASSETS</b>              |        |                            |                   |
| Plant and equipment                    | 10     | 12,481                     | 33,045            |
| Exploration and evaluation expenditure | 11     | 26,596,664                 | 26,120,999        |
| <b>TOTAL NON-CURRENT ASSETS</b>        |        | <u>26,609,145</u>          | <u>26,154,044</u> |
| <b>TOTAL ASSETS</b>                    |        | <u>27,883,036</u>          | <u>26,279,913</u> |
| <b>CURRENT LIABILITIES</b>             |        |                            |                   |
| Trade and other payables               | 12     | 290,407                    | 104,354           |
| Borrowings                             |        | 300,000                    | -                 |
| <b>TOTAL CURRENT LIABILITIES</b>       |        | <u>590,407</u>             | <u>104,354</u>    |
| <b>NON-CURRENT LIABILITIES</b>         |        |                            |                   |
| Borrowings                             | 12 (b) | 475,000                    | 450,000           |
| Trade and other payables               | 12 (a) | 508,647                    | 457,827           |
| <b>TOTAL NON-CURRENT LIABILITIES</b>   |        | <u>983,647</u>             | <u>907,827</u>    |
| <b>TOTAL LIABILITIES</b>               |        | <u>1,574,054</u>           | <u>1,012,181</u>  |
| <b>NET ASSETS</b>                      |        | <u>26,308,982</u>          | <u>25,267,732</u> |
| <b>EQUITY</b>                          |        |                            |                   |
| Issued capital                         | 13     | 53,970,149                 | 52,325,045        |
| Foreign currency translation reserve   | 16     | (2,360,605)                | (2,259,956)       |
| Share Option Reserve                   | 14     | 60,829                     | 10,000            |
| Accumulated losses                     | 15     | (25,361,421)               | (24,807,35)       |
| <b>TOTAL EQUITY</b>                    |        | <u>26,308,952</u>          | <u>25,267,731</u> |
| <b>Minority Interest</b>               |        | <u>30</u>                  | <u>-</u>          |
| <b>Total Equity</b>                    |        | <u>26,308,982</u>          | <u>25,267,731</u> |

The accompanying notes form part of these financial statements

# SABRE RESOURCES LTD

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

### CONSOLIDATED ENTITY

|                                                           | <i>Issued<br/>Capital</i> | <i>Share<br/>Option<br/>Reserve</i> | <i>Foreign<br/>Currency<br/>Translation<br/>Reserve</i> | <i>(Accum-<br/>ulated<br/>Losses)</i> | <i>Total<br/>attributable<br/>to owners of<br/>parent</i> | <i>Minority<br/>Interest</i> | <i>Total</i>      |
|-----------------------------------------------------------|---------------------------|-------------------------------------|---------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|------------------------------|-------------------|
|                                                           | \$                        | \$                                  | \$                                                      | \$                                    | \$                                                        | \$                           | \$                |
| <b>Balance as at 1 July 2016</b>                          | <b>52,325,045</b>         | <b>-</b>                            | <b>(3,157,189)</b>                                      | <b>(23,893,973)</b>                   | <b>25,273,883</b>                                         | <b>-</b>                     | <b>25,273,883</b> |
| <i>Loss attributable to members of<br/>parent entity</i>  | -                         | -                                   | -                                                       | (913,385)                             | <b>(913,385)</b>                                          | -                            | <b>(913,385)</b>  |
| <i>Other comprehensive profit/(loss)<br/>for the year</i> | -                         | -                                   | 897,233                                                 | -                                     | <b>897,233</b>                                            | -                            | <b>897,233</b>    |
| <b>Total comprehensive (loss) for the<br/>year</b>        | -                         | -                                   | 897,233                                                 | (913,385)                             | <b>(16,152)</b>                                           | -                            | <b>(16,152)</b>   |
| Transactions with owners:                                 |                           |                                     |                                                         |                                       |                                                           |                              |                   |
| Options Issued                                            | -                         | 10,000                              | -                                                       | -                                     | <b>10,000</b>                                             | -                            | <b>10,000</b>     |
| <b>Balance as at 30 June 2017</b>                         | <b>52,325,045</b>         | <b>10,000</b>                       | <b>(2,259,956)</b>                                      | <b>(24,807,358)</b>                   | <b>25,267,731</b>                                         | <b>-</b>                     | <b>25,267,731</b> |

# SABRE RESOURCES LTD

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

|                                                        | <i>Issued<br/>Capital</i> | <i>Share<br/>Option<br/>Reserve</i> | <i>Foreign<br/>Currency<br/>Translation<br/>Reserve</i> | <i>(Accum-<br/>ulated<br/>Losses)</i> | <i>Total<br/>attributable<br/>to owners of<br/>parent</i> | <i>Minority<br/>Interest</i> | <i>Total</i>      |
|--------------------------------------------------------|---------------------------|-------------------------------------|---------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|------------------------------|-------------------|
| <b>Balance as at 1 July 2017</b>                       | <b>52,325,045</b>         | <b>10,000</b>                       | <b>(2,259,956)</b>                                      | <b>(24,807,358)</b>                   | <b>25,267,731</b>                                         | <b>-</b>                     | <b>25,267,731</b> |
| Profit/(Loss) attributable to members of parent entity | -                         | -                                   | -                                                       | (554,063)                             | <b>(554,063)</b>                                          | -                            | <b>(554,063)</b>  |
| Other comprehensive profit/(loss) for the year         | -                         | -                                   | (100,649)                                               | -                                     | <b>(100,649)</b>                                          | -                            | <b>(100,649)</b>  |
| <b>Total comprehensive profit/(loss) for the year</b>  | <b>-</b>                  | <b>-</b>                            | <b>(100,649)</b>                                        | <b>(554,063)</b>                      | <b>(654,712)</b>                                          | <b>-</b>                     | <b>(654,712)</b>  |
| Transactions with owners:                              |                           |                                     |                                                         |                                       |                                                           |                              |                   |
| Issues of capital                                      | 1,768,021                 | -                                   | -                                                       | -                                     | <b>1,768,021</b>                                          | -                            | <b>1,768,021</b>  |
| Capital raising costs                                  | (122,917)                 | -                                   | -                                                       | -                                     | <b>(122,917)</b>                                          | -                            | <b>(122,917)</b>  |
| Options Issued                                         | -                         | 50,829                              | -                                                       | -                                     | <b>50,829</b>                                             | -                            | <b>50,829</b>     |
| <b>Balance as at 30 June 2018</b>                      | <b>53,970,149</b>         | <b>60,829</b>                       | <b>(2,360,605)</b>                                      | <b>(25,361,421)</b>                   | <b>26,308,952</b>                                         | <b>30</b>                    | <b>26,308,982</b> |

The accompanying notes form part of these financial statements

# SABRE RESOURCES LTD

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

|                                                                  | Note | Consolidated<br>2018<br>\$ | 2017<br>\$ |
|------------------------------------------------------------------|------|----------------------------|------------|
| <b>Cash flow from operating activities</b>                       |      |                            |            |
| Cash receipts from customers                                     |      | 90,327                     | -          |
| Payments to suppliers                                            |      | (470,279)                  | (265,983)  |
| Interest received                                                |      | 2,691                      | 1,419      |
| Sundry Income                                                    |      | -                          | 42,823     |
| Net cash (outflow) from operating activities                     | 17   | (373,989)                  | (221,741)  |
| <b>Cash flow from investing activities</b>                       |      |                            |            |
| Proceeds from disposal of plant and equipment                    |      | 27,523                     | 17,401     |
| Exploration and evaluation expenditure                           | 11   | (295,655)                  | (270,444)  |
| Proceeds from sale of investment                                 |      | 42,493                     | -          |
| Net cash (outflow) from investing activities                     |      | (225,609)                  | (253,043)  |
| <b>Cash flow from financing activities</b>                       |      |                            |            |
| Proceeds from capital raising                                    | 13   | 1,588,051                  | -          |
| Proceeds from borrowings                                         | 12   | 325,000                    | 450,000    |
| Payments for cost of capital raising                             | 13   | (88,288)                   | -          |
| Proceeds from issue of options                                   | 14   | 16,200                     | 10,000     |
| Net cash inflow from financing activities                        |      | 1,840,963                  | 460,000    |
| Net increase/(decrease) in cash and cash equivalents held        |      | 1,241,365                  | (14,784)   |
| Cash and cash equivalents at the beginning of the financial year |      | 66,579                     | 56,796     |
| Effect of exchange rates on cash holdings in foreign currencies  |      | (100,681)                  | 24,567     |
| Cash and cash equivalents at the end of the financial year       | 8    | 1,207,263                  | 66,579     |

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 2018 was authorised for issue in accordance with a resolution of the directors on 27 September 2018.

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 also complies with International Financial Reporting Standards (IFRS).

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) New Accounting Standards for Application in Future Period

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

##### (i) AASB 9 Financial Instruments

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

When this Standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

##### AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

- establishes a new revenue recognition model;



# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

---

- changes the basis for deciding whether revenue is to be recognised over time at a point in time;
- provides a new and more detailed guidance on specific topics (eg multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

When this Standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

### **AASB 16 Leases**

AASB 16 Leases replaces AASB 117 Leases and some lease-related Interpretations. In summary AASB 16:

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases

When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements

### **(c) Basis of consolidation**

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2018. 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

# SABRE RESOURCES LTD

## NOTES TO THE 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.

### **(d) 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 ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

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 Other Comprehensive Income.

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.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

---

### **(e) 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 in the period the item is derecognised.

### **(f) 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.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

---

### **(g) 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.

#### *(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) 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.

### **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.

### **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.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

---

### **(h) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable asset 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.

### **(i) 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.

### **(j) 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.

### **(k) 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

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

---

insurance 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.

### **(l) 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.

### **(m) 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

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

---

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 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.

### **(n) 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.



# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

---

### **(o) 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.

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.

### **(p) 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.

### **(q) 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.

### **(r) 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.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

---

### **(s) Comparatives**

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

### **(t) 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 loss of \$554,063, (2017: \$913,385). Net cash outflow from operating activities was \$373,989, (2017: \$221,741) and from investing activities of \$225,752, (2017: \$253,043). The main source of funding was a capital raising of \$1,588,051 together with a loan of \$325,000 from a shareholder of the company.

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.

In addition to planned capital raisings a shareholder of the company will continue to provide cash advances, as required. Up to 30 June 2018 a loan of \$775,000 has been received by the Company under this arrangement. Repayment of \$300,000 was made subsequent to the year end.

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 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**

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

---

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 \$26,120,999. Refer to Note 11 for details in relation to the current renewal of the Namibian tenement licences.

(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.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Income Tax

|                                                                                                                             | Consolidated     |                |
|-----------------------------------------------------------------------------------------------------------------------------|------------------|----------------|
|                                                                                                                             | 2018             | 2017           |
|                                                                                                                             | \$               | \$             |
| 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%                                          | (152,367)        | (251,181)      |
| Add:                                                                                                                        |                  |                |
| Tax effect of:                                                                                                              |                  |                |
| Other non-allowable items                                                                                                   | 33,254           | 75,841         |
| Deferred tax asset not bought to account                                                                                    | 126,804          | 162,759        |
| Less:                                                                                                                       |                  |                |
| Tax effect of overseas tax rate                                                                                             | (7,692)          | 12,581         |
| <b>Income tax (benefit) attributable to entity</b>                                                                          | <b>-</b>         | <b>-</b>       |
| Unrecognised Deferred Tax Assets                                                                                            |                  |                |
| Australian                                                                                                                  |                  |                |
| - Tax losses: operating losses                                                                                              | 3,122,173        | 2,948,453      |
| - Tax losses: capital losses                                                                                                | 1,713,983        | 1,713,983      |
| - Temporary differences                                                                                                     | 3,628,853        | 8,753,966      |
| - Temporary differences equity                                                                                              | -                | -              |
| Foreign                                                                                                                     |                  |                |
| - Tax losses                                                                                                                | 288,958          | 272,278        |
|                                                                                                                             | <b>8,753,967</b> | <b>8,753,6</b> |
| Unrecognised Deferred Tax Liabilities - Australian                                                                          | (33,737)         | -              |
| Unrecognised Deferred Tax Liabilities - Foreign                                                                             | -                | -              |
|                                                                                                                             | <b>(33,737)</b>  | <b>-</b>       |

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

- (i) 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;
- (ii) The companies continue to comply with the conditions for deductibility purposes imposed by the Law; and
- (iii) No changes in tax legislation adversely affect the companies in realising the benefits from the deductions for the losses.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Other income

|                          | Consolidated   |               |
|--------------------------|----------------|---------------|
|                          | 2018           | 2017          |
|                          | \$             | \$            |
| Interest earned          | 5,005          | 1,419         |
| Cost recovery            | 82,558         | 42,823        |
| Profit on sale of shares | 31,429         | -             |
| Profit on sale of assets | 21,229         | 6,069         |
|                          | <b>140,221</b> | <b>50,311</b> |

### 6. Auditor's Remuneration

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

Remuneration of the auditor of the parent entity, Grant Thornton Audit Pty Ltd

|                                                                 |        |        |
|-----------------------------------------------------------------|--------|--------|
| - auditing or reviewing of the financial report                 | 30,077 | 32,992 |
| - taxation services provided by related practice of the auditor | 3,695  | 4,630  |
| - other                                                         | -      | -      |

Remuneration of other auditors of subsidiaries for:

|                                                               |               |               |
|---------------------------------------------------------------|---------------|---------------|
| - auditing or reviewing the financial reports of subsidiaries | 8,846         | 16,832        |
|                                                               | <b>42,618</b> | <b>54,454</b> |

### 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 2018.

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

|                              |               |               |
|------------------------------|---------------|---------------|
| Short-term employee benefits | 36,000        | 69,033        |
| Post-employment benefits     | 1,140         | 4,140         |
|                              | <b>37,140</b> | <b>73,173</b> |

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

Directors' fees are payable on a quarterly basis.

### 8. Cash and Cash Equivalents

|                |                  |               |
|----------------|------------------|---------------|
| Represented by |                  |               |
| Cash at bank   | 47,090           | 66,579        |
| Bank deposits  | 1,160,173        | -             |
|                | <b>1,207,263</b> | <b>66,579</b> |

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Trade and Other Receivables

|                                   | Consolidated         |                      |
|-----------------------------------|----------------------|----------------------|
|                                   | 2018                 | 2017                 |
|                                   | \$                   | \$                   |
| <b>Current</b>                    |                      |                      |
| Short term loans                  |                      | -                    |
| Other debtors                     | 287,035              | 264,109              |
| Less provision for doubtful debts | (220,407)            | (215,882)            |
|                                   | <u><b>66,628</b></u> | <u><b>48,227</b></u> |

The above provision for doubtful debts relates to the VAT refunds in Namibia which are overdue by more than 1 year and hence have been fully provided for. All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

### 10. Plant and Equipment

|                                       |                      |                      |
|---------------------------------------|----------------------|----------------------|
| Plant and Equipment, at cost          | 174,363              | 280,423              |
| Less: accumulated depreciation        | (161,882)            | (247,378)            |
|                                       | <u><b>12,481</b></u> | <u><b>33,045</b></u> |
| Opening written down value            | 33,044               | 71,109               |
| Additions                             | -                    | -                    |
| Disposals                             | (6,123)              | (11,332)             |
| Depreciation                          | (14,270)             | (30,550)             |
| Foreign currency exchange differences | (170)                | 3,818                |
| <b>Closing written down value</b>     | <u><b>12,481</b></u> | <u><b>33,045</b></u> |

### 11. Exploration and Evaluation Expenditure

|                                                 |                          |                          |
|-------------------------------------------------|--------------------------|--------------------------|
| Opening balance                                 | 26,120,999               | 24,982,606               |
| Expenditure for the year                        | 391,901                  | 270,444                  |
| Value of securities issued to acquire tenements | 180,000                  | -                        |
| Impairment                                      | -                        | (901)                    |
| Foreign currency exchange differences           | (96,236)                 | 868,850                  |
|                                                 | <u><b>26,596,664</b></u> | <u><b>26,120,999</b></u> |

The Namibian government has released for comment a draft New Equitable Economic Empowerment Framework (NEEEF) discussion paper seeking to give Namibian citizens greater opportunities to participate in the economic development of their country.

It is not clear at this stage what the final form of the legislation, if enacted, may take and it may have implications for our future activities in Namibia.

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:

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

1. 25 million shares on achieving inferred JORC resource of 1 million 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.

### 12. Trade and other Payables

#### (a) Trade Payables

##### Current

|                                             |                |                |
|---------------------------------------------|----------------|----------------|
| Trade payables                              | 271,853        | 44,330         |
| Trade payables – directors                  | -              | 43,173         |
| Accrued annual leave and long service leave | 18,554         | 16,851         |
|                                             | <b>290,407</b> | <b>104,354</b> |

##### Non-current

|                         |                |                |
|-------------------------|----------------|----------------|
| Deferred trade payables | 508,647        | 457,827        |
|                         | <b>508,647</b> | <b>457,827</b> |

The above deferred trade payables represents unbilled management fees and reimbursable costs payable to a service company. See Note 23

#### (b) Borrowings

##### Current

|                        |                |   |
|------------------------|----------------|---|
| Borrowings - unsecured | <b>300,000</b> | - |
|------------------------|----------------|---|

##### Non-current

|                        |                |                |
|------------------------|----------------|----------------|
| Borrowings - unsecured | <b>475,000</b> | <b>450,000</b> |
|------------------------|----------------|----------------|

The loan is unsecured with no fixed repayment dates. Repayment of the loan has been deferred for at least 15 months from the signing of the audited financial statements.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 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 \$         |
|---------------------|----------------------------|--------------------|---------------------|-------------------|
| <b>1 July 2016</b>  | <b>Balance</b>             | <b>226,472,228</b> |                     | <b>51,936,045</b> |
| 26 October 2016     | Shares issued              | 25,000,000         | 1.6                 | 400,000           |
| 26 October 2016     | Capital raising costs      | -                  |                     | (11,000)          |
| <b>30 June 2017</b> | <b>Balance</b>             | <b>251,472,228</b> |                     | <b>52,325,045</b> |
| 22 March 2018       | Issue to acquire tenements | 12,000,000         | 1.5                 | 180,000           |
| 3 May 2018          | Shares issued              | 105,868,052        | 1.5                 | 1,588,021         |
| 3 May 2018          | Capital raising costs      | -                  |                     | (122,917)         |
| <b>30 June 2018</b> | <b>Balance</b>             | <b>369,340,280</b> |                     | <b>53,970,149</b> |

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.



# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Share Option Reserve

| Date                | Details         | Number of Options  | Amount \$     |
|---------------------|-----------------|--------------------|---------------|
| <b>1 July 2016</b>  | <b>Balance</b>  | <b>12,500,000</b>  | <b>-</b>      |
| 8 February 2017     | Options granted | 100,000,000        | 10,000        |
| <b>30 June 2017</b> | <b>Balance</b>  | <b>112,500,000</b> | <b>10,000</b> |
| 24 January 2018     | Options granted | 37,000,000         | 3,700         |
| 15 February 2018    | Options granted | 125,000,000        | 12,500        |
| 20 April 2018       | Options granted | 8,000,000          | 34,629        |
| <b>30 June 2018</b> | <b>Balance</b>  | <b>282,500,000</b> | <b>60,829</b> |

### Summary of Options Granted

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

|                                           | 2018 Number        | 2018 WAEP (cents) | 2017 Number        | 2017 WAEP (cents) |
|-------------------------------------------|--------------------|-------------------|--------------------|-------------------|
| Outstanding at beginning of year          | 112,500,000        | 2.5               | 12,500,000         | 2.5               |
| Granted during the year                   | 170,000,000        | 2.5               | 100,000,000        | 2.5               |
| Expired during year                       | -                  | -                 | -                  | -                 |
| Exercised during the year                 | -                  | -                 | -                  | -                 |
| <b>Outstanding at the end of the year</b> | <b>282,500,000</b> | <b>2.5</b>        | <b>112,500,000</b> | <b>2.5</b>        |

As at year-end, there were two classes of unlisted options, 149,500,000 unlisted options exercisable at 2.5 cents per option at any time up to their expiry date of 1 August 2018, and 133,000,000 unlisted options exercisable at 1.5 cents per option at any time up to their expiry date of 1 December 2021. The remaining contractual life of the options outstanding at year end was 1.09 years.

### Black Scholes Valuation Parameters

A number of options were also issued at no cost as consideration for consultant fees. The options were valued using the Black Scholes method and the parameters for the valuations were as follows:

| Class                                         | Number           | Underlying share price | Exercise price | Risk free rate | Volatility Factor | Total Value   |
|-----------------------------------------------|------------------|------------------------|----------------|----------------|-------------------|---------------|
| Exercisable at \$0.03 on or before 31/10/2019 | 8,000,000        | 0.016                  | 0.030          | 2.5%           | 91.99%            | 34,629        |
| <b>Total</b>                                  | <b>8,000,000</b> |                        |                |                |                   | <b>34,629</b> |

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Accumulated Losses

|                                                            | Consolidated        |                     |
|------------------------------------------------------------|---------------------|---------------------|
|                                                            | 2018                | 2017                |
|                                                            | \$                  | \$                  |
| Accumulated losses at the beginning of the year            | (24,807,358)        | (23,893,973)        |
| Profit/(Loss) for year                                     | (554,063)           | (913,385)           |
| <b>Accumulated losses at the end of the financial year</b> | <b>(25,361,421)</b> | <b>(24,807,358)</b> |

### 16. Foreign currency translation reserve

|                                                                              |                    |                    |
|------------------------------------------------------------------------------|--------------------|--------------------|
| Foreign currency translation reserve at the beginning of the year            | (2,259,956)        | (3,157,189)        |
| Currency translation differences arising during the year                     | (100,649)          | 897,233            |
| <b>Foreign currency translation reserve at the end of the financial year</b> | <b>(2,360,605)</b> | <b>(2,259,956)</b> |

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 | 2018             | 2017             |
|                                                      |      | \$               | \$               |
| Operating profit/(loss) after income tax:            |      | (554,063)        | (913,385)        |
| <b>Non-cash flows in loss:</b>                       |      |                  |                  |
| Depreciation                                         | 10   | 14,270           | 30,550           |
| Fair value adjustments                               |      |                  | 3,603            |
| Profit on sale of shares                             |      | (31,429)         |                  |
| Impairment of exploration assets                     |      | -                | 901              |
| Interest income accrued not received                 |      | 2,314            | -                |
| Gain on disposal of plant & equipment                |      | (21,229)         | (6,069)          |
| <b>Changes in assets and liabilities:</b>            |      |                  |                  |
| (Increase)/decrease in receivables                   |      | (25,241)         | 182,657          |
| Increase/(decrease) in trade and other payables      |      | 235,170          | 480,002          |
| Increase/(decrease) in provisions                    |      | 6,229            | -                |
| <b>Net cash flows (used in) operating activities</b> |      | <b>(373,989)</b> | <b>(221,741)</b> |

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Earnings per share

|                                                                                                                              | 2018<br>Number | 2017<br>Number |
|------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share     | 271,905,694    | 251,472,228    |
| 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                                                                                                       | 0.002          | 0.001          |
| Loss per share – cents - diluted                                                                                             | 0.002          | 0.001          |

### 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            |                  |
|---------------------------------------------------|------------------------|-----------------------|----------------------|------------------|------------------|------------------|
|                                                   | 2018<br>0.00% - 2.50%  | 2017<br>0.00% - 2.50% | 2018                 | 2017             | 2018             | 2017             |
|                                                   | \$                     | \$                    | \$                   | \$               | \$               | \$               |
| <b>Financial Assets:</b>                          |                        |                       |                      |                  |                  |                  |
| Cash and cash equivalents                         | 1,207,263              | 66,579                | -                    | -                | 1,207,263        | 66,579           |
| Loans and Receivables                             | -                      | -                     | 66,628               | 48,227           | 66,628           | 48,227           |
| Held-for-trading investments                      | -                      | -                     | -                    | 11,063           | -                | 11,063           |
| <b>Total Financial Assets</b>                     | <b>1,207,263</b>       | <b>66,579</b>         | <b>66,628</b>        | <b>59,290</b>    | <b>1,273,891</b> | <b>125,869</b>   |
| <b>Financial Liabilities (at amortised cost):</b> |                        |                       |                      |                  |                  |                  |
| Loan                                              | -                      | -                     | (775,000)            | (450,000)        | (775,000)        | (450,000)        |
| Trade and other payables                          | -                      | -                     | (799,054)            | (562,181)        | (799,054)        | (562,181)        |
| <b>Net Financial Assets</b>                       | <b>1,207,263</b>       | <b>66,579</b>         | <b>(1,507,426)</b>   | <b>(952,891)</b> | <b>(300,163)</b> | <b>(886,312)</b> |

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### Reconciliation of Financial Assets to Net Assets

|                                        | Consolidated      |                   |
|----------------------------------------|-------------------|-------------------|
|                                        | 2018              | 2017              |
|                                        | \$                | \$                |
| Net Financial Assets                   | (300,163)         | (886,313)         |
| Exploration and Evaluation expenditure | 26,596,664        | 26,120,999        |
| Fixed assets                           | 12,481            | 33,045            |
|                                        | <u>26,308,982</u> | <u>25,267,731</u> |

#### (b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at report 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.

#### (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 report date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### Interest Rate Sensitivity Analysis

At 30 June 2018, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as minimal:

|                                   | <b>Consolidated</b> |              |
|-----------------------------------|---------------------|--------------|
|                                   | <b>2018</b>         | <b>2017</b>  |
|                                   | <b>\$000</b>        | <b>\$000</b> |
| Change in profit:                 |                     |              |
| - Increase in interest rate by 2% |                     | -            |
| - Decrease in interest rate by 2% | -                   | -            |
| Change in Equity                  |                     |              |
| - Increase in interest rate by 2% | -                   | -            |
| - Decrease in interest rate by 2% | -                   | -            |

### (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.

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

|                                                      | <b>Within 1 Year</b> |             | <b>1 to 5 Years</b> |             | <b>Over 5 Years</b> |             | <b>Total</b> |             |
|------------------------------------------------------|----------------------|-------------|---------------------|-------------|---------------------|-------------|--------------|-------------|
|                                                      | <b>2018</b>          | <b>2017</b> | <b>2018</b>         | <b>2017</b> | <b>2018</b>         | <b>2017</b> | <b>2018</b>  | <b>2017</b> |
| <b>Financial Liabilities - Due for Payment</b>       |                      |             |                     |             |                     |             |              |             |
| Loans                                                | 300,000              | -           | 475,000             | 450,000     | -                   | -           | 775,000      | 450,000     |
| Trade and Other Payables                             | 290,407              | 104,354     | 508,647             | 457,827     | -                   | -           | 799,054      | 562,181     |
| Total expected outflows                              | 590,407              | 104,354     | 983,647             | 907,827     | -                   | -           | 1,574,054    | 1,012,181   |
| <b>Financial Assets - Cash Flows Realisable</b>      |                      |             |                     |             |                     |             |              |             |
| Cash and Cash Equivalents                            | 1,207,263            | 66,579      | -                   | -           | -                   | -           | 1,207,263    | 66,579      |
| Receivables                                          | 66,628               | 48,227      | -                   | -           | -                   | -           | 66,628       | 48,227      |
| Held-for-trading investments                         | -                    | 11,063      | -                   | -           | -                   | -           | -            | 11,063      |
| Total anticipated inflows                            | 1,273,891            | 125,869     | -                   | -           | -                   | -           | 1,273,891    | 125,869     |
| <b>Net (outflow)/inflow on financial instruments</b> | 683,484              | 21,515      | (983,647)           | (907,827)   | -                   | -           | (300,163)    | (886,312)   |

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### (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).

|                                                                                     | Level 1<br>\$000 | Level 2<br>\$000 | Level 3<br>\$000 | Total<br>\$000 |
|-------------------------------------------------------------------------------------|------------------|------------------|------------------|----------------|
| <b>Consolidated Group</b>                                                           |                  |                  |                  |                |
| <b>2018</b>                                                                         |                  |                  |                  |                |
| <b>Financial assets</b>                                                             |                  |                  |                  |                |
| Financial assets at fair value through profit or loss: investments held for trading | -                | -                | -                | -              |
|                                                                                     | -                | -                | -                | -              |
| <b>2017</b>                                                                         |                  |                  |                  |                |
| <b>Financial assets</b>                                                             |                  |                  |                  |                |
| Financial assets at fair value through profit or loss: investments held for trading | 11               | -                | -                | 11             |
|                                                                                     | <b>11</b>        | <b>-</b>         | <b>-</b>         | <b>11</b>      |

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.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Investment in controlled entities

| Name of Entity                     | Country of Incorporation | Class of Shares | Equity Holding % |        | Book Value of Investment |           | Contribution to Consolidated Result |           |
|------------------------------------|--------------------------|-----------------|------------------|--------|--------------------------|-----------|-------------------------------------|-----------|
|                                    |                          |                 | 2018 %           | 2017 % | 2018 \$                  | 2017 \$   | 2018 \$                             | 2017 \$   |
| Link National Pty Ltd              | Australia                | Ordinary        | 100              | 100    | 8,000,000                | 8,000,000 | -                                   | -         |
| Sabre Resources Namibia (Pty) Ltd  | Namibia                  | Ordinary        | 70               | 70     | -                        | -         | (49,018)                            | (99,631)  |
| 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 | (42,581)                            | (225,441) |
| Sherlock Operations Pty Ltd        | Australia                | Ordinary        | 70               | -      | 180,000                  | -         | -                                   | -         |
| Hammond Park Pty Ltd               | Australia                | Ordinary        | 100              | -      | 179,970                  | -         | -                                   | -         |

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.

### 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 2018 |           | Year ended 30 June 2017 |           |
|------------------------------------|---------------------|----------------------------|-------------------------|-----------|-------------------------|-----------|
|                                    |                     |                            | Transactions            | Balance   | Transactions            | Balance   |
| Sabre Resources Namibia (Pty) Ltd  | Subsidiary          | Expenses paid              | 229,410                 | 9,598,410 | 218,000                 | 9,369,000 |
| Gazania Investments Nine (Pty) Ltd | Subsidiary          | Expenses paid              | 37,000                  | 3,547,000 | 45,000                  | 3,510,000 |
| Golden Deeps Limited               | Common directorship | Geological services income | (9,484)                 | -         | -                       | -         |
| Metals Australia Ltd               | Common directorship | Geological services income | (67,560)                | -         | -                       | -         |
| Sherlock Operations Pty Ltd        | Subsidiary          | Expenses paid              | 108,466                 | 108,466   | -                       | -         |

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

|                      |            |               |         |         |   |   |
|----------------------|------------|---------------|---------|---------|---|---|
| Hammond Park Pty Ltd | Subsidiary | Expenses paid | 108,466 | 108,466 | - | - |
|----------------------|------------|---------------|---------|---------|---|---|

All transactions with Directors are disclosed in Note 7.

### 22. Operating Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company is managed on the basis of its development and exploration of the group's mineral interests in the geographical regions of Australia and Namibia.

| Segment Performance – June 2018                    | Namibia    | Australia | Total             |
|----------------------------------------------------|------------|-----------|-------------------|
| <b>Revenue</b>                                     |            |           |                   |
| From external sources                              | -          | -         | 82,558            |
| Profit on sale of shares                           | -          | -         | 31,429            |
| Interest revenue                                   | 1,428      | -         | 5,005             |
| Investments marked to market                       |            | -         | -                 |
| Profit on sale of shares                           | -          | -         | -                 |
| Profit on sale of assets                           | -          | -         | 21,229            |
| Total Group revenue                                | 1,428      | -         | 140,221           |
| <b>Segment profit/(loss)</b>                       | (91,599)   | -         | (91,599)          |
| Management Fees – unrelated parties                |            |           | (188,002)         |
| Corporate overheads - unrelated parties            |            |           | (239,714)         |
| Corporate charges & write backs                    |            |           | (34,748)          |
| <b>Total Group profit/(loss)</b>                   |            |           | (554,063)         |
| <b>Segment assets</b>                              | 26,389,301 | 288,366   | 26,677,667        |
| Unallocated - cash, receivables, plant & equipment |            |           | 1,205,369         |
| <b>Total Group assets</b>                          |            |           | <b>27,883,036</b> |
| <b>Segment liabilities</b>                         | 9,401      | -         | 9,401             |
| Corporate trade payables                           | -          | -         | 789,653           |
| Borrowings                                         | -          | -         | 775,000           |
| <b>Total Group liabilities</b>                     |            |           | <b>1,574,054</b>  |



# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

| <b>Segment Performance – June 2017</b>             | <b>Namibia</b> | <b>Australia</b> | <b>Total</b>      |
|----------------------------------------------------|----------------|------------------|-------------------|
| <b>Revenue</b>                                     |                |                  |                   |
| From external sources                              |                |                  | 42,823            |
| Profit on sale of shares                           |                |                  | -                 |
| Interest revenue                                   | 1,373          |                  | 1,419             |
| Investments marked to market                       |                |                  |                   |
| Profit on sale of shares                           |                |                  |                   |
| Profit on sale of assets                           | 6,069          |                  | 6,069             |
| Total Group revenue                                | 7,442          |                  | 50,311            |
| <b>Segment profit/(loss)</b>                       | (332,514)      |                  | (332,514)         |
| Management Fees – unrelated parties                |                |                  | (282,000)         |
| Corporate overheads - unrelated parties            |                |                  | (175,827)         |
| Corporate charges & write backs                    |                |                  | (123,044)         |
| <b>Total Group profit/(loss)</b>                   |                |                  | <b>(913,385)</b>  |
| <b>Segment assets</b>                              | 26,209,838     |                  | 26,209,838        |
| Unallocated - cash, receivables, plant & equipment |                |                  | 70,074            |
| <b>Total Group assets</b>                          |                |                  | <b>26,279,912</b> |
| <b>Segment liabilities</b>                         | 20,012         |                  | 20,012            |
| Corporate trade payables                           |                |                  | 542,169           |
| Borrowings                                         |                |                  | 450,000           |
| <b>Total Group liabilities</b>                     |                |                  | <b>1,012,181</b>  |

### 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.

The Company has a formal exploration commitment of \$296,000 per annum on its Sherlock Bay tenements. There are no formal exploration commitments in respect of any other tenements.

#### (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. The service company has confirmed in writing that it will defer the unsecured loan (see Note 12b) , billed and unbilled fees (Note 12a) as at 30 June 2018 for at least 15 months from the signing of the audited financial statements.

The management service company did not invoice for its management fees and reimbursable costs in the prior year and no costs were accrued. The Company has now quantified all the amounts owing and according these amounts have been accrued even though the management service company has not invoiced for the amounts payable.

# 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 2018. The information presented here has been prepared using consistent accounting policies as shown in note 2.

|                                   | Parent Entity     |                   |
|-----------------------------------|-------------------|-------------------|
|                                   | 2018              | 2017              |
|                                   | \$                | \$                |
| <b>ASSETS</b>                     |                   |                   |
| Current assets                    | 1,205,239         | 53,084            |
| Non-current assets                | 11,903,721        | 17,056,332        |
| <b>TOTAL ASSETS</b>               | <b>13,108,960</b> | <b>17,025,559</b> |
| <b>LIABILITIES</b>                |                   |                   |
| Current liabilities               | 581,006           | (84,341)          |
| Non-current liabilities           | 983,647           | (907,827)         |
| <b>TOTAL LIABILITIES</b>          | <b>1,564,653</b>  | <b>(66,998)</b>   |
| <b>EQUITY</b>                     |                   |                   |
| Issued capital                    | 53,970,149        | 52,325,045        |
| Share option reserve              | 60,829            | 10,000            |
| Accumulated losses                | (42,486,671)      | (36,217,797)      |
| <b>TOTAL EQUITY</b>               | <b>11,544,307</b> | <b>16,958,561</b> |
| <b>FINANCIAL PERFORMANCE</b>      |                   |                   |
| (Loss) for the year               | (728,874)         | (851,313)         |
| <b>TOTAL COMPREHENSIVE (LOSS)</b> | <b>(728,874)</b>  | <b>(851,313)</b>  |

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 23.

### 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.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

---

### **26. Subsequent Events**

During the reporting period the Company announced it was conducting a due diligence on Kinetic Metals Pty Ltd. Kinetic Metals Pty Ltd is the holder of a 100% interest in each of the Speewah, Unaly and Balla Vanadium projects, all located in Western Australia. Subsequent to the year end the Company acquired 100% Kinetic Metals Pty Ltd. The company issued 2,500,000 Shares and 2,500,000 listed Options exercisable at 3 cents each on or before 31 October 2019, to

Since the end of the reporting period, the Company completed a underwritten share purchase plan, the Company has issued 1,799,992 Shares and 1,799,992 listed Options exercisable at 3 cents each on or before 31 October 2019 to raise \$27,000. The share purchase plan was underwritten to the extent of \$500,000. As at reporting date, the underwriting settlement is yet to occur. The underwriter will be issued 33,333,333 Shares and 33,333,333 listed Options exercisable at 3 cents each on or before 31 October 2019.

Since the end of the reporting period, the company issued 105,868,052 listed Options exercisable at 3 cents each on or before 31 October 2019, to the participants of the capital raising announced on the 24 April 2018.

Since the end of the reporting period, the company issued 8,000,000 listed Options exercisable at 3 cents each on or before 31 October 2019, to the brokers assisting with the the capital raising announced on the 24 April 2018.

Since the end of the reporting period, the Company repaid \$300,000 to a shareholder who has lent funds to the Company.

Apart from the comments in the succeeding paragraphs, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of these operations, or the state of affairs of the consolidated group in future 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 47, 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 2018 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 2018.

Signed in accordance with a resolution of the Directors:



Michael Scivolo  
DIRECTOR

Dated this 27 September 2018  
Perth, Western Australia

# Independent Auditor's Report

## To the Members of Sabre Resources Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Sabre Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, 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, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Material uncertainty related to going concern

We draw attention to Note 1(t) in the financial statements, which indicates that the Group incurred a net loss of \$554,063 during the year ended 30 June 2018, and incurred net cash outflows from operating activities of \$373,989 and from investing activities of \$225,752. As stated in Note 1(t), these events or conditions, along with other matters as set forth in Note 1(t), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Exploration and evaluation assets - Notes 1(h) &amp; 11</b><br><p>At 30 June 2018 the carrying value of exploration and evaluation assets was \$26,596,664.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;</li> <li>reviewing management's area of interest considerations against AASB 6;</li> <li>conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> <li>tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;</li> <li>enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;</li> <li>understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;</li> </ul> </li> <li>assessing the accuracy of impairment recorded for the year as it pertained to exploration interests;</li> <li>evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and</li> <li>assessing the appropriateness of the related financial statement disclosures.</li> </ul> |

### **Information other than the financial report and auditor's report thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors' 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* and for 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.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

### **Report on the remuneration report**

#### **Opinion on the remuneration report**

We have audited the Remuneration Report included in pages 16 to 18 of the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Sabre Resources Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



P W Warr  
Partner – Audit & Assurance

Perth, 27 September 2018

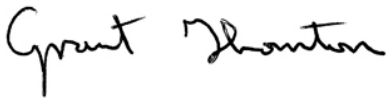


## Auditor's Independence Declaration

### To the Directors of Sabre Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Sabre Resources Limited for the year ended 30 June 2018, 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, 27 September 2018

### 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](http://www.sabresources.com):

### **Principle 1 – Lay solid foundations for management and oversight**

---

#### **Responsibilities of the Board**

The Board is responsible for the following matters:

- ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
- development of corporate strategy, implementation of business plans and performance objectives;
- reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control system and legal and regulatory compliance;
- the appointment of the Company's Managing Director, (or equivalent), Chief Financial Officer, Company Secretary and other senior executives;
- monitoring senior executives' performance and implementation of strategy;
- determining appropriate remuneration policies;
- allocating resources and ensuring appropriate resources are available to management;
- approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- 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 one direct employees, who 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 2018, 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
- Robert Collins was first appointed on 7 December 2016
- David was first appointed on 30 May 2015 and was Managing Director and then reverted to a Non-Executive Director on 1 November 2016

### **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:

- the Company's financial, strategic, operational and risk management position;
- the rights, duties and responsibilities of the directors;
- the roles and responsibilities of senior executives; and
- 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:
  - review the overall conduct of the external audit process including the independence of all parties to the process;
  - review the performance of the external auditors;

- consider the reappointment and proposed fees of the external auditor; and
  - 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:
  - are released in a timely manner;
  - are factual;
  - do not omit material information; and
  - 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:

- placing the full text of notices of meeting and explanatory material on the website;
- providing information about the last three years' press releases or announcements plus at least three years of financial data on the website; and
- 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:

- 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
- 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:

- motivating senior executives to pursue the long-term growth and success of the Company; and
- 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:

- attracting and retaining senior executives and directors; and
- 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.

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:

- 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
- 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:

- to increase shareholder value within an appropriate framework which safeguards the rights and interests of shareholders; and
- 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:

- 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.
- 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.
- 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:

- the Company Secretary or
- 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:

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

## **SABRE RESOURCES LTD**

### **CORPORATE GOVERNANCE**

---

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:

- The Authorised Disclosure Officer must prepare ASX announcements when required to fulfil the Company's disclosure obligations.
- 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.
- 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.
- 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.

## **SABRE RESOURCES LTD**

### **CORPORATE GOVERNANCE**

---

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.

# SABRE RESOURCES LTD

## SHAREHOLDER INFORMATION

Additional information included in accordance with the listing requirements of the Australian Securities Exchange Limited.

### Distribution of Shareholders

(a) As at 24 September 2018 the distribution of members and their shareholdings were:-

| Range of Holding | Holders      | Shares Held        | Percent     |
|------------------|--------------|--------------------|-------------|
| 1 - 1,000        | 301          | 96,456             | 0.03%       |
| 1,001 - 5,000    | 270          | 740,723            | 0.20%       |
| 5,001 - 10,000   | 124          | 1,002,947          | 0.27%       |
| 10,001 - 100,000 | 365          | 16,688,058         | 4.47%       |
| 100,001 and over | 295          | 355,112,088        | 95.04%      |
|                  | <b>1,355</b> | <b>373,640,272</b> | <b>100%</b> |

(b) There exist 909 shareholders with unmarketable parcels of shares.

### 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 Percentage of Ordinary Shares | Percentage of Issued Capital |
|------------------|-----------------------------------------|------------------------------|
| Coniston Pty Ltd | 70,700,000                              | 18.92                        |

### Top 20 Shareholders

The twenty largest shareholders as at 24 September 2018, representing 55.25% of the paid up capital were:

| Name of holder                                      | Number     | Percent |
|-----------------------------------------------------|------------|---------|
| Coniston Pty Ltd                                    | 70,700,000 | 18.92   |
| National Nominees Limited                           | 26,804,550 | 7.17    |
| Zero Nominees Pty Ltd                               | 12,000,000 | 3.21    |
| McNeil Nominees Pty Limited                         | 11,718,000 | 3.14    |
| Seiwan Properties Limited                           | 11,000,000 | 2.94    |
| Jamora Nominees Pty Ltd <Kaboont Discretionary A/C> | 10,000,000 | 2.68    |
| Mr Stephen Peter Davis                              | 8,000,000  | 2.14    |
| Mrs Melissa Pace                                    | 7,675,000  | 2.05    |
| Mr Neil Millar Kirkpatrick                          | 5,633,000  | 1.51    |
| J P Morgan Nominees Australia Limited               | 4,748,239  | 1.27    |
| Mr Stephen Michael Baker                            | 4,200,000  | 1.12    |
| Sorrento Resources Pty Ltd                          | 4,200,000  | 1.12    |
| Mr Ianaki Semerdziev                                | 4,104,000  | 1.1     |
| Ms Stella May Ha Or                                 | 4,000,000  | 1.07    |
| Mr Scott Alan Malone                                | 4,000,000  | 1.07    |

## SABRE RESOURCES LTD

### SHAREHOLDER INFORMATION

|                                                                           |                    |              |
|---------------------------------------------------------------------------|--------------------|--------------|
| Mr John Francis Wolfe Mrs Wendy Doreen Wolfe <Wolfe Family Superfund A/C> | 3,979,370          | 1.07         |
| Herlequin Investments Limited                                             | 3,760,000          | 1.01         |
| Mr Oktay Tasdemir                                                         | 3,558,885          | 0.95         |
| Mr Andrew Wolfe                                                           | 3,480,706          | 0.93         |
| Mr Steven Leung                                                           | 2,910,000          | 0.78         |
|                                                                           | <b>206,471,750</b> | <b>55.25</b> |

#### Top 20 Optionholders

As at the date of this report, there are two classes of options on issue.

There are 118,168,044 listed options exercisable at 3.0 cents at any time up to their maturity on 31 October 2019 on issue. The details of the Top 20 holders are

| Name of Holder                                                              | Number            | Percent      |
|-----------------------------------------------------------------------------|-------------------|--------------|
| McNeil Nominees Pty Limited                                                 | 21,833,334        | 18.48        |
| Mr Bin Liu                                                                  | 9,184,000         | 7.77         |
| Ms Chunyan Niu                                                              | 9,184,000         | 7.77         |
| SJ Capital Pty Ltd                                                          | 8,566,400         | 7.25         |
| MAPD Nominees Pty Ltd                                                       | 5,051,200         | 4.27         |
| Mr Gabriel Hewitt                                                           | 4,132,800         | 3.5          |
| Quid Capital Pty Ltd                                                        | 4,100,000         | 3.47         |
| Volta Investments Pty Ltd <Volta A/C>                                       | 3,673,600         | 3.11         |
| Mardi Bengal Investments Pty Ltd                                            | 3,214,400         | 2.72         |
| Mr Sufian Ahmad                                                             | 3,214,400         | 2.72         |
| Buckingham Investment Financial Services Pty Ltd <Lennox Head Property A/C> | 3,000,000         | 2.54         |
| Mr Colin Weekes                                                             | 2,500,000         | 2.12         |
| GTT Global Opportunities Pty Ltd                                            | 2,300,000         | 1.95         |
| Xcel Capital Pty Ltd                                                        | 2,296,000         | 1.94         |
| Ayers Pty Ltd <Hita Investment A/C>                                         | 2,296,000         | 1.94         |
| Professional & Sophisticated Investors Pty Ltd <Prof & Soph Invest A/C>     | 2,133,334         | 1.81         |
| Ironside Pty Ltd <The Ironside Super Fund A/C>                              | 2,000,000         | 1.69         |
| Mr Joshua Goldhirsch                                                        | 2,000,000         | 1.69         |
| Chelmsley Proprietary Limited                                               | 2,000,000         | 1.69         |
| Beirne Trading Pty Ltd                                                      | 1,866,668         | 1.58         |
| <b>Totals</b>                                                               | <b>94,546,136</b> | <b>80.01</b> |

There are 125,000,000 unlisted options exercisable at 1.5 cents at any time up to their maturity on 1 December 2021. The details of the Top 20 holders are:

|                           |                    |               |
|---------------------------|--------------------|---------------|
| Corridor Nominees Pty Ltd | 125,000,000        | 100.00        |
| <b>Totals</b>             | <b>125,000,000</b> | <b>100.00</b> |