

ASX ANNOUNCEMENT

7 April 2021

ASX code: **SBR**

Scoping Study Commenced on Sherlock Bay Nickel Project, Western Australia

Highlights:

- A scoping study has commenced on the Sherlock Bay Nickel Project
- The deposit contains approximately 99,200 tonnes of nickel metal, 21,700 tonnes of copper metal and 5,400 tonnes of cobalt metal² and has the potential to be increased by further drilling
- The new study has been initiated in response to forecasts on the market penetration of EVs through to 2030 and the amount of nickel, cobalt and copper that will be required
- Sherlock Bay has a current JORC 2012 Mineral Resource of 24.6 million tonnes grading 0.4% nickel, 0.09% copper and 0.02% cobalt²
- The current nickel price is 16,001 USD a tonne and the copper price is 8,768 USD a tonne³
- The scoping study builds on extensive previous work on the project that included mining, geotechnical, hydrology, plant design, environmental surveys and completion of the feasibility study in 2004-2007

Sabre Resources Ltd ("Sabre" and "Company") is pleased to announce that, in light of forecasts on the market penetration of EVs and demand for battery raw materials, including nickel, copper and cobalt, through to 2030, the Company has decided to commission a scoping study to determine the economics of the Sherlock Bay Nickel Project at current commodity prices. The study is being coordinated by Dr. Natalia Steltsova, a highly regarded metallurgist specialising in nickel.

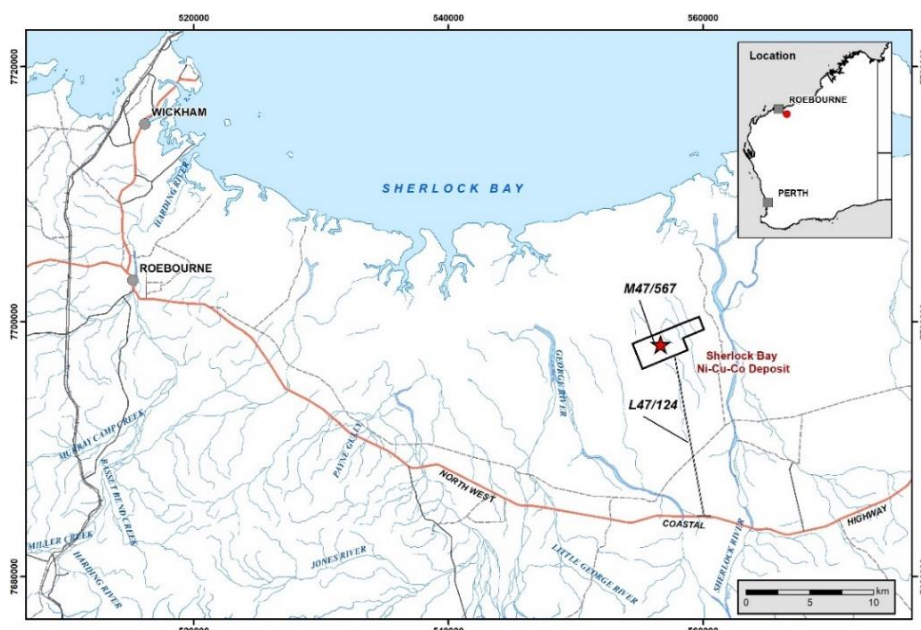


Figure 1: Location Plan – Sherlock Bay Nickel Project

The new scoping study will build on extensive previous work including a feasibility study carried out by the Sherlock Bay Nickel Corporation Limited between 2004 and 2007.

Between 2004 and 2007, a feasibility study was carried out on the Sherlock Bay Nickel resource that included extensive studies on the mining, environment, geotechnical, hydrology, plant design and other matters necessary to complete the feasibility study. In 2018, Australian Mining Consultants Pty Ltd (AMC) completed a mining study on the Sherlock Bay Nickel deposit¹. As part of the mining study, AMC prepared and documented cost schedules for the open pit and underground mining of the deposit. The mining study, processing study and other work done by Sabre has provided the Company with confidence that the Sherlock Bay deposit has the potential to become an economic mining development. It is for these reasons that Sabre has now commenced a scoping study.

Sabre considers that it is well positioned to take advantage of the recovery in the nickel, copper and cobalt prices. Updates and information will be provided as the study progresses.

Background

Sherlock Bay is an advanced nickel-copper-cobalt project located in the Pilbara region of Western Australia (Figure 1). The Sherlock Bay drill database contains 251 RC and diamond holes for ~33,500m of drilling and has a JORC 2012 compliant Mineral Resource of **24.6 million tonnes grading 0.4% nickel, 0.09% copper and 0.02% cobalt**². 50.6% of the resource is in the Measured category with 24.7% in the Indicated category and 24.7% in the Inferred category. **The deposit contains approximately 99,200 tonnes of nickel metal, 21,700 tonnes of copper metal and 5,400 tonnes of cobalt metal and has the potential to be increased by further drilling**². The current nickel price is 16,001 USD a tonne and the copper price is 8,768 USD a tonne³.

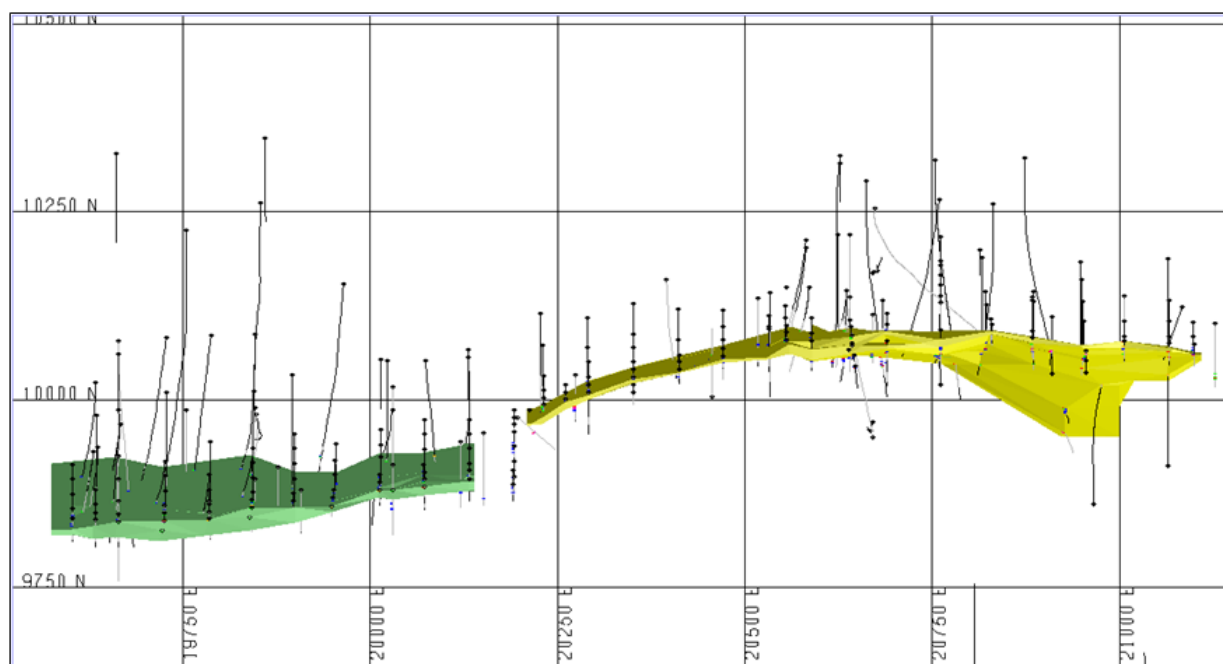


Figure 2: Plan view of Sherlock Bay Mineral Resource limits and drilling

¹ Sabre Resources Limited (ASX:SBR) announcement 14 August 2018 "Sherlock Bay Mining Study".

² Sabre Resources Limited (ASX:SBR) announcement 12 June 2018 "Sherlock Bay resource estimate update".

³ London Metal Exchange (LME): <https://www.lme.com>

The Sherlock Bay Nickel Deposit is hosted within the Archaean West Pilbara Granite-Greenstone Belt. It comprises two main lenticular lodes (termed Discovery and Symond's Well) hosted within a sub-vertical to steep north dipping chert horizon with a combined strike length of 1,600m (Figure 2). The higher grade portions of the main zones can be up to 30m wide and are continuous down dip in excess of 500m in places.

AMC used the updated JORC 2012 Mineral Resource for Sherlock Bay announced in June 2018 to conduct a pit optimization study. Whittle Four-X software was used for the pit optimisations using updated mining costs, processing costs and commodity prices. Pits were designed using a batter angle of 65 degrees and 5m berms every 20m of vertical height (Figure 3). The conceptual design for the minesite layout is shown in Figure 4.

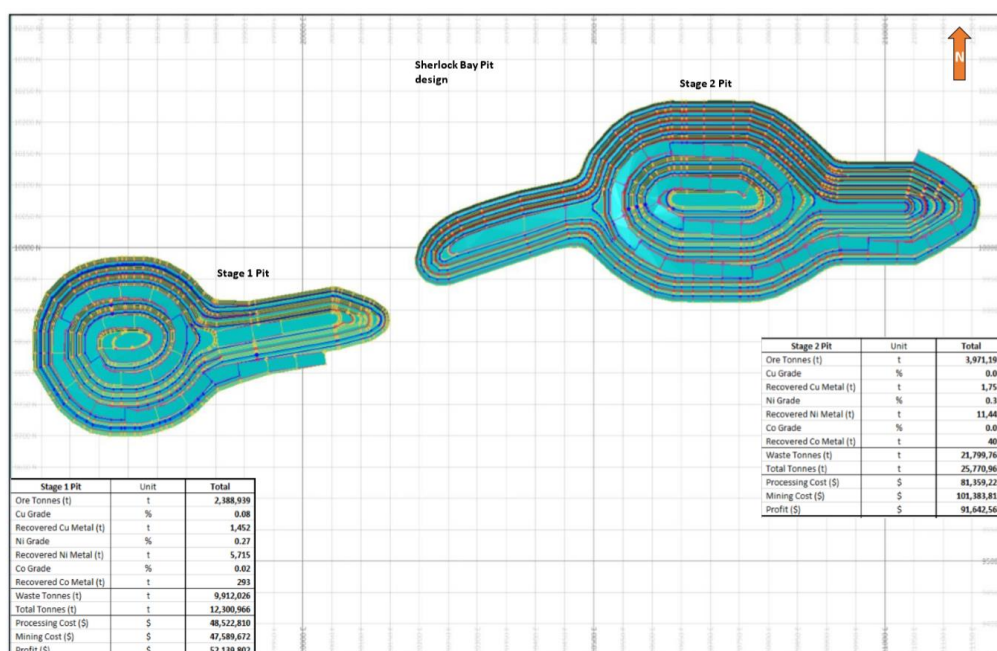


Figure 3: Plan view of Sherlock Bay open pits

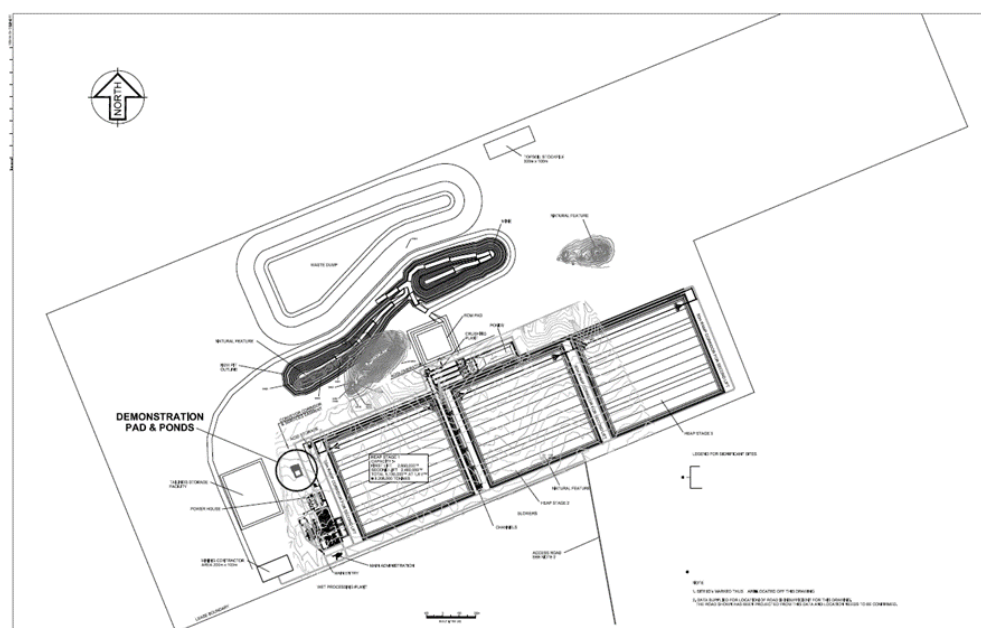


Figure 4: Conceptual design of Sherlock Bay minesite layout

The process design for the scoping study is already underway. Once this is completed, it will be followed by detailed engineering and CAPEX-OPEX calculations.

This announcement has been authorised for release by the Board of Directors.

ENDS

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Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Martin Bennett, a consultant to Sabre Resources Ltd, and a member of Australian Institute of Geoscientists. Mr. Bennett 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. Bennett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.