

ASX ANNOUNCEMENT
30 July 2021

ASX code: **SBR**

Quarterly Activities Report for the period ended 30 June 2021

Highlights:

- Sherlock Bay nickel-copper-cobalt sulphide project, mining and processing scoping study, significantly advanced towards completion next Quarter. Subject to the study outcomes, further exploration will be planned, targeting higher-grade nickel sulphides
- Youanmi Terrane/Murchison Province gold exploration strategy progressed with the acquisition, post the end of the Quarter, of the Ninghan gold exploration project near the 3.0Moz⁷ Mt Gibson gold deposit in the southern Murchison of Western Australia
- Phase 1 outcomes of the Border zinc-lead-silver project scoping study under review

Sherlock Bay Nickel Sulphide Project:

Sabre Resources Ltd (“Sabre Resources” or “Company”) holds a 70% interest in the Sherlock Bay Nickel Project on mining lease M47/567, located in the Pilbara region of Western Australia (see Figure 1). The Project is well-located 12 km off Highway 1 with access to critical mining infrastructure. The mining lease contains a current JORC 2012 nickel sulphide measured, indicated and inferred mineral resource of **24.6 million tonnes @ 0.4% nickel (Ni), 0.09% copper (Cu), 0.02% cobalt (Co)**¹, containing nearly 100,000 tonnes Ni, 21,700 tonnes Cu and 5,400 tonnes Co.

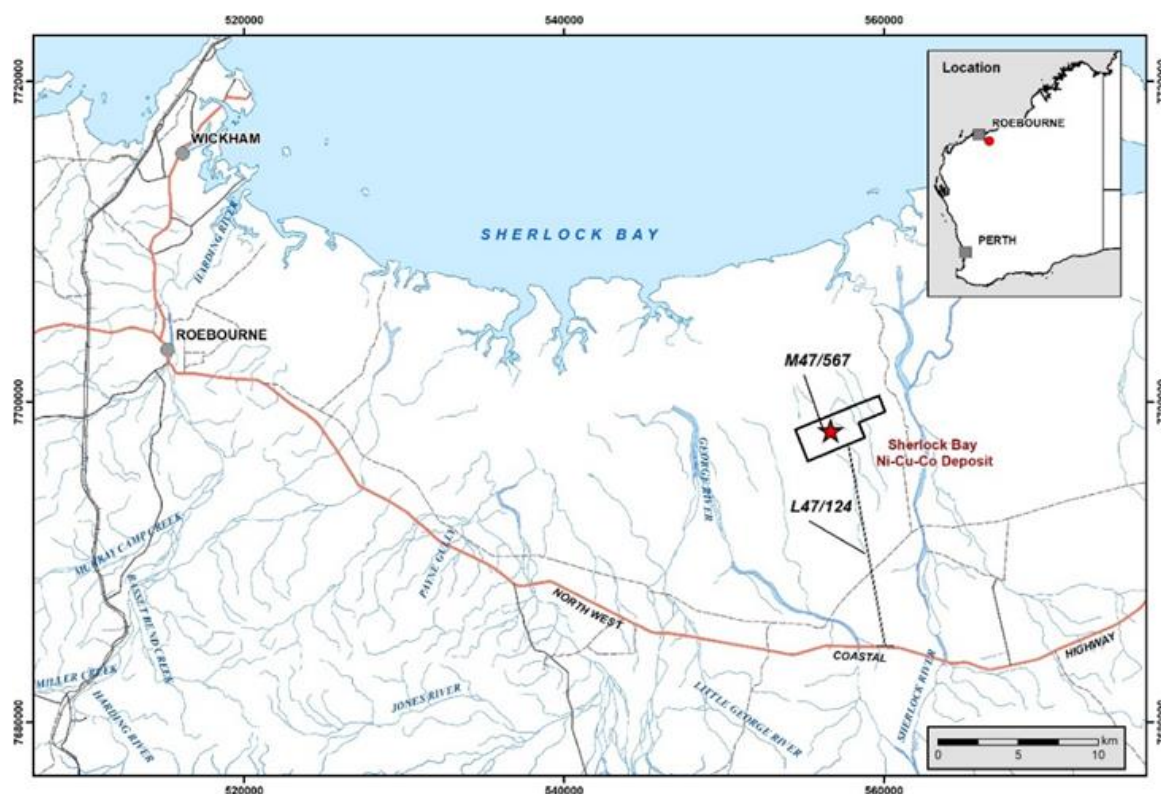


Figure 1: Location map of the Sherlock Bay Project in Western Australia

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). Higher grade portions of the main zones are up to 30m wide and are continuous down dip in excess of 500m in places.

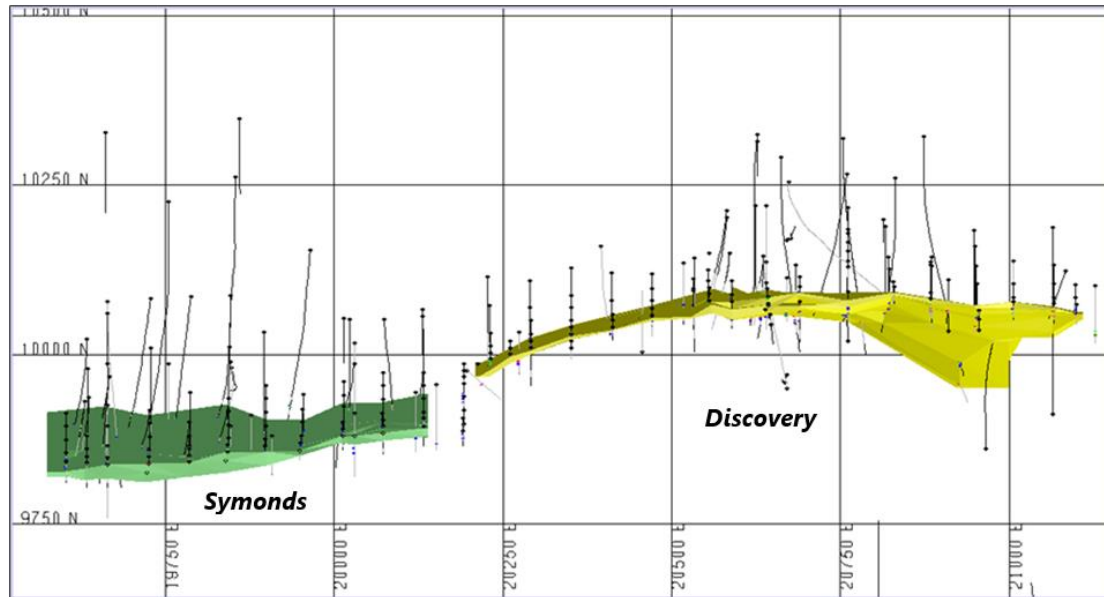


Figure 2: Plan view of Sherlock Bay Mineral Resource limits and drilling

In April 2021 the company commenced a scoping study ("the 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 specializing in nickel processing. This new study was initiated in the light of forecasts on the market penetration of EVs and demand for battery raw materials, including nickel, copper and cobalt through to 2030.

The current Study is building upon previous feasibility study work conducted from 2004 to 2007 by Sherlock Bay Nickel Corporation and a mining study completed by AMC consultants Pty Ltd (AMC) for the Company in August 2018². The AMC mining study included two optimised, economic pit shells and concurrent underground mine developments, with two separate declines, on the Symonds and Discovery nickel sulphide shoots. The outcomes of the mining study demonstrated that a viable operation could be established that, subject to the processing capital and operating costs, may result in an economic project development case given current strong nickel, copper and cobalt prices.

The new Study is supported by Strategic Metallurgy Pty Ltd of Perth who have now completed the processing flow-sheet design and Lycopodium the process design review. Lycopodium is currently preparing the equipment list and capital and operating cost estimates for the processing flow-sheet, which is based on heap-leaching technology to produce an intermediate nickel (copper-cobalt) product³. Final cost inputs based on the AMC mining study and the processing flow-sheet costs estimated by Lycopodium, will be incorporated into the scoping study economic model to determine potential economic viability of the Sherlock Bay nickel project based on the current resource.

In parallel with the mining and processing scoping study, the geological interpretation of the deposits will be re-examined and potential for extensions and/or higher-grade nickel sulphide bodies in the near mine environment will be targeted. **The Company will also examine regional potential for repeats of the Sherlock Bay geological setting for possible acquisition.**

WA Gold Youanmi Terrane Gold Projects and Strategy:

The Company has identified potential for significant gold discoveries in the Youanmi (Murchison) terrane of the Yilgarn Block, a region that is considerably underexplored, particularly in covered areas, when compared with the adjacent Eastern Goldfields Terrane.

Sabre Resources wholly owned subsidiary, Power Metals Pty Ltd, has, post the end of the Quarter, entered into a sale agreement with Legend Resources Pty Ltd to acquire the **Ninghan Gold Project** exploration licence application 59/2402 upon grant³.

The Ninghan project is located in the southern part of a world-class, gold endowed, structural corridor that runs from Mt Gibson to northeast of Meekatharra. Mt Gibson gold mine is located less than 20km along strike to the south of the Project and has previous production of nearly 0.9Moz's and a recently released resource upgrade of 2.1Moz's (Capricorn Metals Ltd, ASX:CMM⁷), totalling 3.0Moz pre-mining endowment (Figure 3).

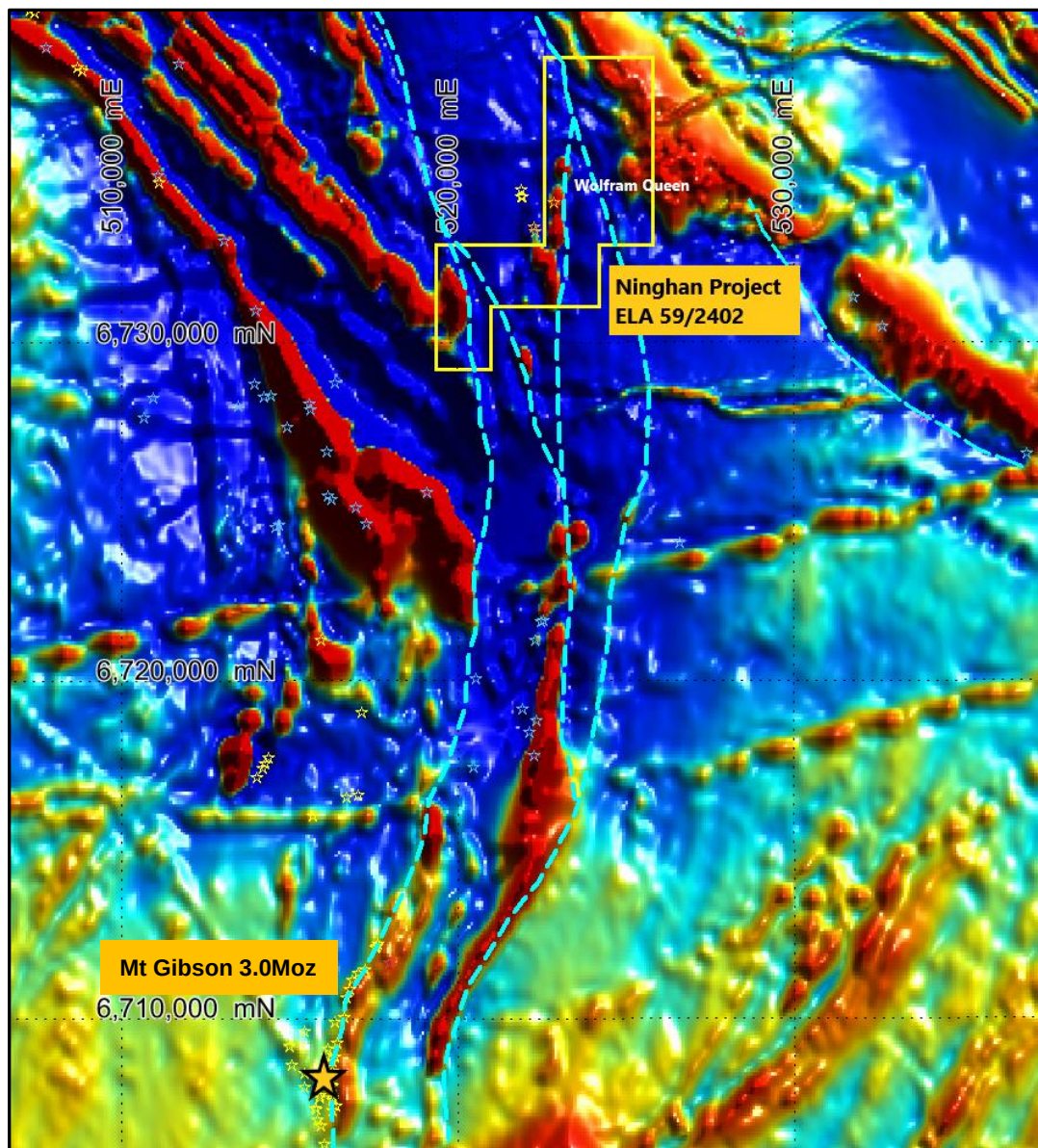


Figure 3: Ninghan gold exploration project on regional magnetics image (TMI, RTP) and Mt Gibson

Previous RAB / aircore drilling on the E59/2402 area has defined anomalous gold mineralisation over a 5km strike-length associated with two, regional scale, northwest trending, structural corridors, largely under cover (Figure 3).

Significant historical workings occur at the western edge of the tenement in an area of limited outcrop at the Wolfram Queen gold-tungsten mine, associated with north-northwest trending structures intersected by interpreted cross faults that continue into the targeted areas to the northeast and southwest. Interpretation of regional scale magnetics has highlighted similarities to the 3.0Moz Mt Gibson gold deposits structural setting that, upon grant of the tenement, will be tested with further aircore and potentially RC drilling.

The **Youanmi Gold Project**, which comprises two granted Exploration Licences, Bonanza (E57/1125) and Beacon (E57/1136), located in the Youanmi Goldfield in WA, will be reviewed before further work is proposed.

The Company is continuing to focus on acquiring other tenements in the region where interpreted mineralised structural trends have not been adequately tested under-cover.

Base Metals Projects in Namibia:

Sabre Resources holds EPL 3542 (SBR 70%), which is located in the Otavi Mountain Land, a highly prospective, under-explored area in northern Namibia which has potential for high-value copper mineralisation, stratabound zinc-lead mineralisation and vanadium deposits (see Figure 4).

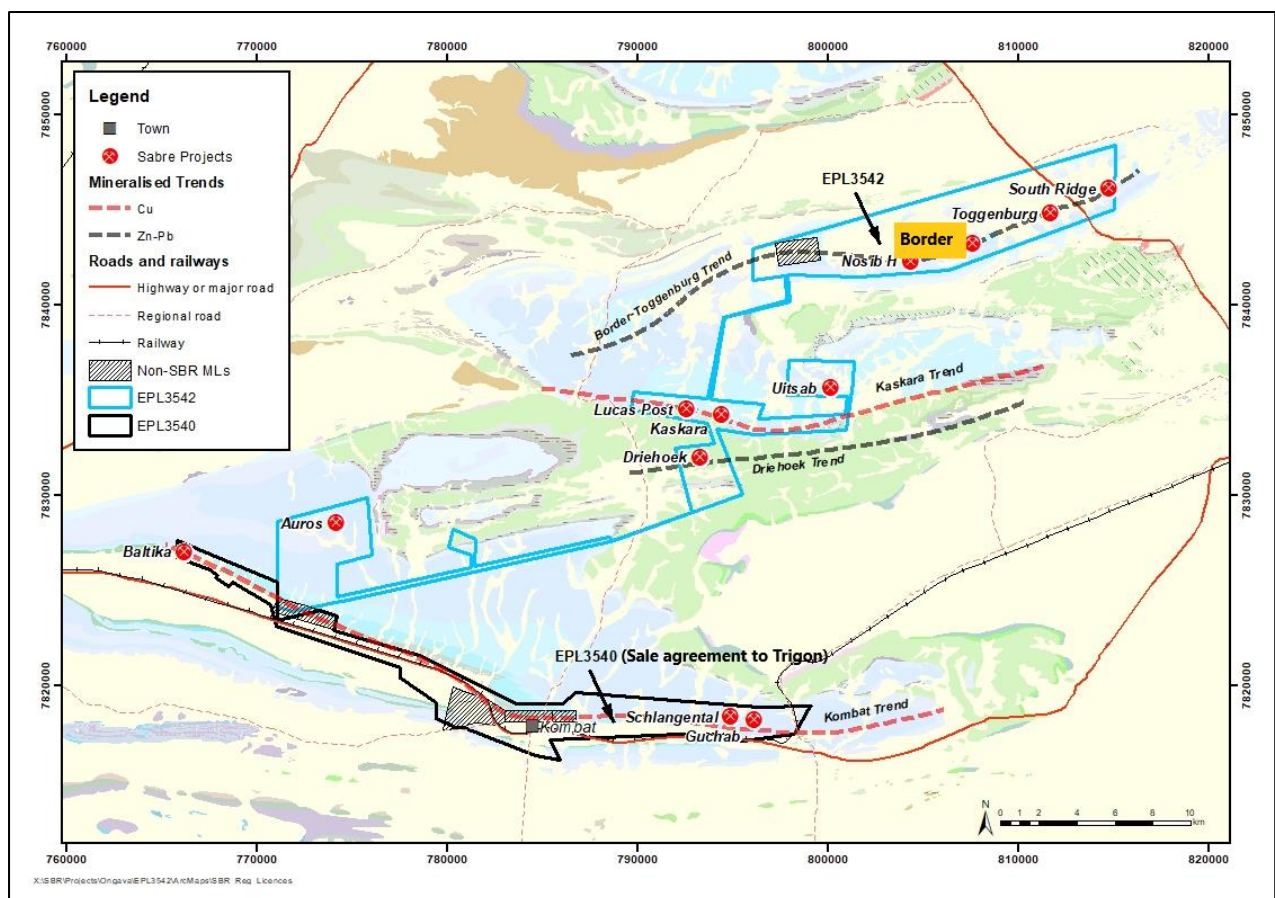


Figure 3: Otavi Mountain Land Tenements EPL3542 in Namibia, Border zinc-lead-silver deposit location

In March 2021, Sabre engaged DRA Global to conduct a scoping study on the Border lead-zinc deposit. DRA Global is a diversified global engineering, project delivery and operations management group headquartered in Perth with an office in South Africa. The scoping study will assess the economic viability of an open pit mining and processing operation at Border.

The Border deposit includes a JORC 2012 inferred mineral resource of **16.2 million tonnes @ 1.53% zinc (Zn), 0.59% lead (Pb), 4.76 g/t silver (Ag)**³, containing nearly 250,000 tonnes Zn, 95,000 tonnes Pb and 2.5 Moz Ag.

The Border scoping study is being conducted by diversified global engineering firm, DRA Global, and will assess the economic viability of an open pit mining operation with ore processed at a centralised processing plant. The plant would utilise heavy-media separation to produce a relatively low-volume concentrate for further processing via flotation to produce a concentrate that metallurgical testing^{4,5} indicates would grade up to 65% Pb and 62% Zn (with silver credits).

There are a number of other Pb-Zn deposits located within the Sabre tenements that may also feed such a centralised processing facility, including the Driehoek zinc-lead deposit approximately 15km southwest of Border that has previously produced significant shallow drilling intersections⁶ that could be converted to a mineral resource with further drilling.

The results of Phase 1 of the scoping study on the Border lead-zinc project are currently being assessed. Further, more detailed, Phase 2 studies may be carried out, subject to there being sufficient resources identified to support the capital to build a stand-alone processing plant.

Corporate

Appointment of CEO:

Effective 1 July 2021, Sabre Resources appointed experienced mining professional, Jon Dugdale, to the position of CEO of the Company.

Cash Position

Sabre Resources net expenditure during the Quarter was \$239K and the cash position as at 30 June 2021 was \$5.013 million. Payments to related parties of the entity and their associates was limited to payment of director fees and superannuation totalling \$14k (see Appendix 5B Quarterly cash flow report attached).

References

¹ Sabre Resources Ltd announcement, 12th June 2018. *Resource Estimate Update for the Sherlock Bay Nickel-Copper- Cobalt Deposit.*

² Sabre Resources Ltd announcement, 14th August 2018. *Positive Mining Study for the Sherlock Bay Nickel-Copper-Cobalt Deposit.*

³ Sabre Resources Ltd announcement, 21st July 2021. *Acquisition of gold Project in Western Australia (and update).*

⁴ Sabre Resources Ltd announcement, 16th October 2014. *Border Zinc Deposit Resource Update.*

⁵ Sabre Resources Ltd announcement, 24th January 2012. *Border Resource Exceeds 16 million tonnes.*

⁶ Sabre Resources Ltd announcement, 15th July 2015. *Toggenburg Zinc-Lead Footprint Extends to Over 2.8km Length.*

⁷ Capricorn Metals Ltd announcement, 28th July 2021. *Capricorn Acquires 2.1 Million Ounce Mt Gibson Project*

This announcement was authorised for release by the Board of Directors.

ENDS

For further information, please refer to the Company's website or contact:

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Cautionary Statement regarding Forward-Looking information

This report contains forward-looking statements concerning Sabre Resources Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the company's beliefs, opinions and estimates of Sabre Resources Ltd as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Competent Person Statement

The information in this report that relates to exploration results has been reviewed, compiled and fairly represented by Mr Jonathon Dugdale. Mr Dugdale is the Chief Executive Officer of Sabre Resources Limited and a Fellow of the Australian Institute of Mining and Metallurgy ('FAusIMM'). Mr Dugdale has sufficient experience, including over 34 years' experience in exploration, resource evaluation, mine geology and finance, relevant to the style of mineralisation and type of deposits under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee ('JORC') Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Dugdale consents to the inclusion in this report of the matters based on this 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Sabre Resources Ltd

ABN

68 003 043 570

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	22
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(14)	(73)
	(e) administration and corporate costs	(116)	(975)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (ATO cash flow boost stimulus)	-	12
1.9	Net cash from / (used in) operating activities	(130)	(1,013)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(55)	(55)
	(d) exploration & evaluation	(54)	(235)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	202
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(109)	(88)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,901
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(236)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	5,665

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,252	449
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(130)	(1,013)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(109)	(88)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,665

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,013	5,013

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,013	5,252
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,013	5,252

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(14) ¹
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

¹ Payment of director fees and superannuation.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(130)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(54)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(184)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,013
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,013
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	27.24
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2021



Authorised by:
Martin Stein – Company Secretary
On behalf of Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.