

ASX ANNOUNCEMENT
29 October 2021

ASX code: **SBR**

Quarterly Activities Report for the period ended 30 September 2021

Highlights:

- **Scoping Study on the Sherlock Bay nickel-copper-cobalt sulphide project nearing completion, with processing cost inputs finalised and mining studies to be updated for an optimised cash-flow model focussed on higher-grade early in the mining sequence**
- **Potential has been identified to discover higher-grade to massive nickel sulphides at Sherlock Bay, where the resource is increasing in grade with depth and EM anomalies along strike are inadequately tested. The company will develop these targets for drill testing during the next Quarter**
- **Acquisition of the Ninghan Gold Project has been finalised. Highly gold-anomalous trends under-cover, north of the 3Moz Mt Gibson gold project, to be tested with further drilling planned**
- **Phase 2 studies on the Border Zinc-Lead Project and further exploration to expand resources is awaiting renewal determination from the Namibian Mining Ministry**

Sherlock Bay Nickel Sulphide Project M47/567, WA – Scoping Study:

Sabre Resources Ltd (“Sabre Resources” or “Company”) holds a 70% interest in the Sherlock Bay Nickel (sulphide) Project (“SBNP”, or, “Project”) on M47/567, located 40km east of Roebourne in the Pilbara region of Western Australia (see Figure 1).

The SBNP includes 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.**

In April 2021 the Company commenced a scoping study on the SBNP (“Study”) to determine the economics of the Project at current and projected nickel, copper and cobalt prices. Global nickel consumption is forecast to more than double by 2040 and the proportion used in battery precursors for electric vehicles (EVs) is projected to increase from 7% to over 30% of demand with almost exponential demand growth by 2030 (*Wood-McKenzie, Paydirt Nickel Conference, Oct. 21*). Nickel sulphide projects are favoured due to the high payability (>90%) of the nickel intermediates produced, that are suitable for EV battery production.

The current Study is based on previous work conducted from 2004 to 2007 by Sherlock Bay Nickel Corporation, that included heap-leach processing, and mining study reports completed by AMC consultants Pty Ltd (AMC), initially in 2005 and updated for the Company in August 2018².

The SBNP includes two nickel sulphide deposits, Symonds and Discovery, both of which are tabular and trend northeast-southwest over an approximately 1.5km strike corridor (see mineralisation envelopes, Figure 2), within the regional scale Scholl Shear Zone (Figure 1). The deposits are each approximately 15m to 20m wide and dip and plunge almost vertically (see cross section, Figure 3).

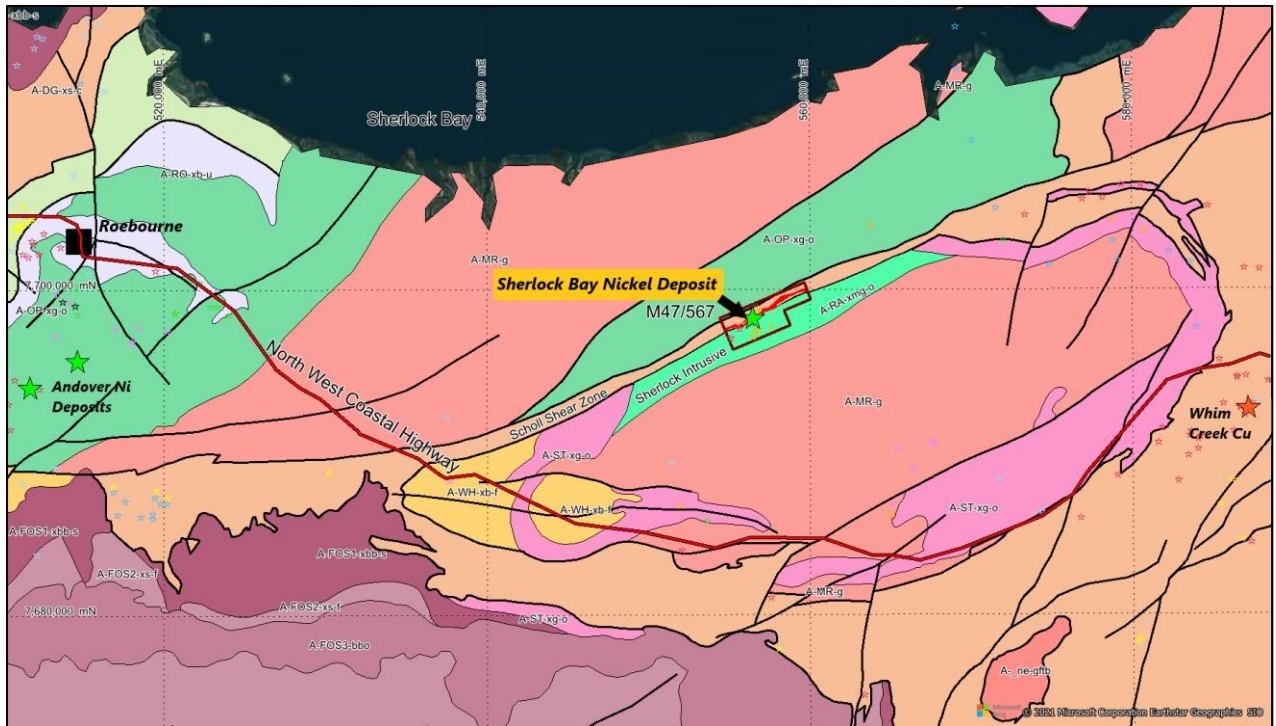


Figure 1 - Regional Geology and Location map of the Sherlock Bay Nickel Project in WA

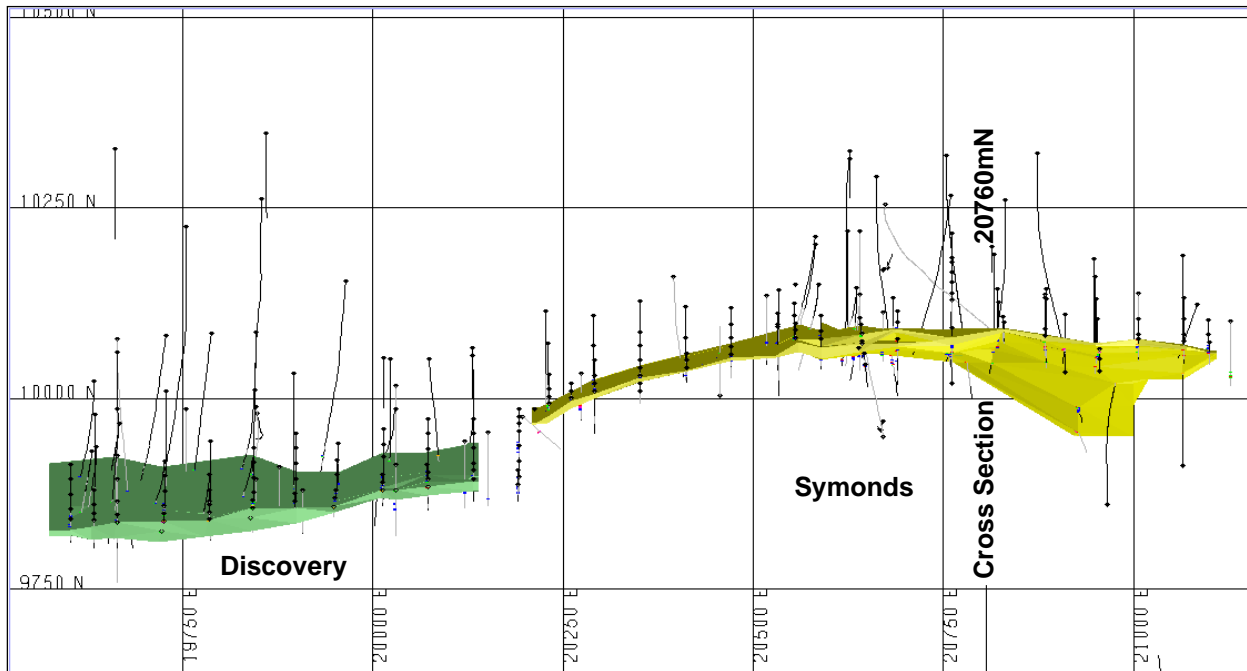


Figure 2 - Discovery and Symonds Well 0.20% Ni Mineralisation Envelope, Plan View

The updated AMC mining report (2018)² includes two, optimised, open-pits that would operate for up to 5 years and overlap with underground development and establishment of sub-level cave operations, via separate declines (see longitudinal section, Figure 3). The underground mines continue for the remaining 8 years of a 12-year operation, producing 2.0 million tonnes of “ore” per annum (Mtpa) once full production levels are reached.

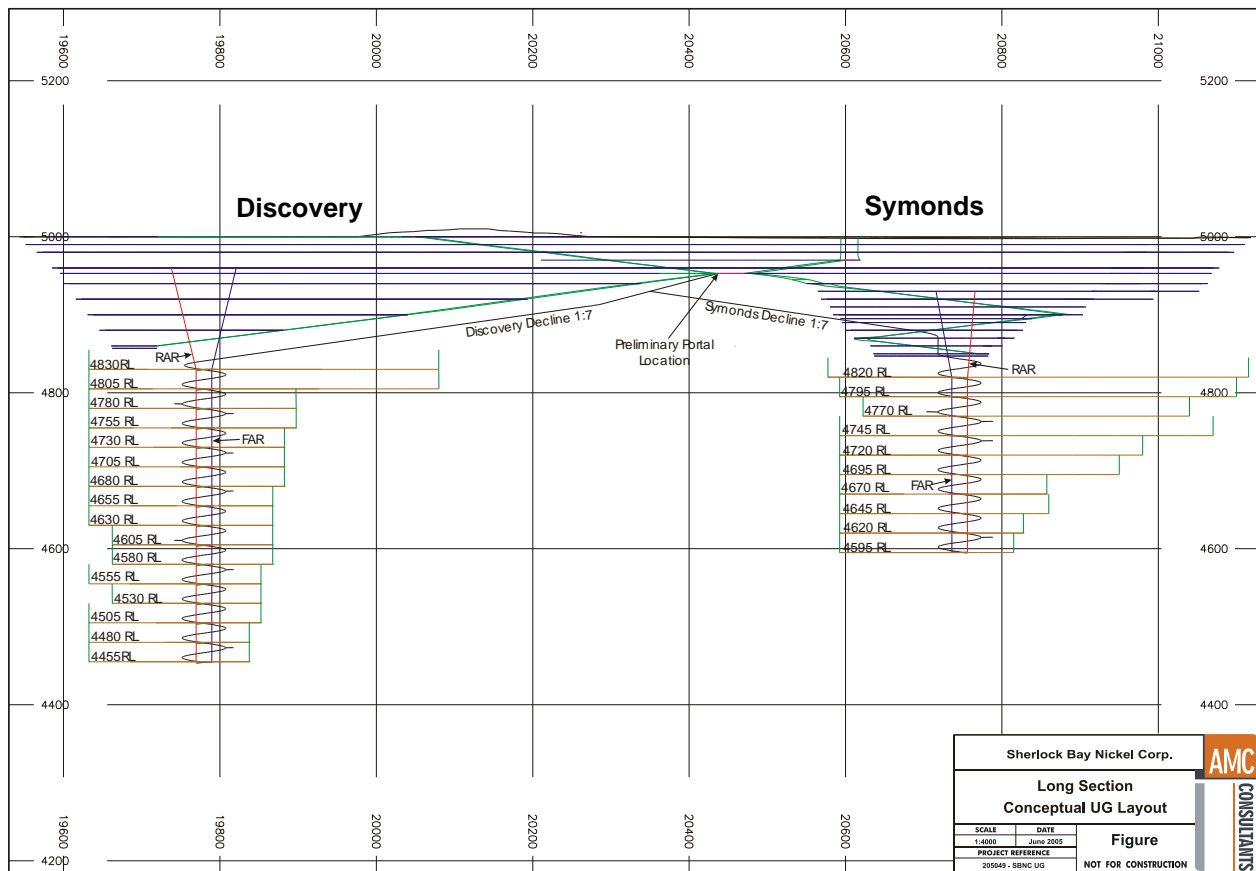


Figure 3 – AMC mining Study, optimised open-pits and underground development and mining layout²

The AMC mining report² demonstrated that, at the applied nickel price of USD15,000/t (now >USD20,000/t), significant operating cash-flows could be generated from both the open-pit and underground operations and, subject to additional studies required to determine updated processing capital and operating costs, there is potential for an economic mining project to be established at SBNP.

The new work is based on inputs generated by Strategic Metallurgy Pty Ltd of Perth, who have completed the processing flow-sheet design, and Lycopodium, who are finalising their report on updated processing and surface infrastructure capital costs and processing operating costs.

The final stage of the Study is to incorporate the updated processing capital costs and operating costs with updated mining schedules to produce a new SBNP cashflow model at current nickel, copper and cobalt prices, that maximises cash-flow from the current resources. This will be an iterative process, with potential changes to mining schedules required to optimise cash flow in the early stages of the operation.

It is clear from the early evaluation of the Study inputs that cashflow is sensitive to mined grade. The average grade of the SBNP resource is 0.4% nickel with copper and cobalt credits. **However, there is evidence that the two deposits increase in nickel sulphide grade at depth, as shown in a cross section through Symonds deposit, Figure 4.** The nickel sulphide deposits occur in the footwall felsic volcanics but converge with the Sherlock intrusive (ultramafic/gabbro) contact at depth. Previous work has indicated that the nickel-copper-cobalt mineralisation is associated with the Sherlock mafic-ultramafic Intrusion, that has been demonstrated to be sulphur saturated. Anomalous base metal and PGE values with associated sulphides were reported by Outokumpu based on 1990s drilling and previous EM anomalies along strike of the Sherlock Bay deposit have only receiving limited testing.

The likely presence of higher-grade disseminated to massive sulphides at Sherlock Bay is also supported by the Andover discovery by Azure Minerals Ltd (ASX:AZR), located 40km to the west of Sherlock Bay (Figure 1). Andover has produced nickel intersections, with massive sulphide mineralisation, including 4.5m @ 3.95% Ni, 0.8% Cu, 0.16% Co from 486.6m in ANDD0045, and 16.8m @ 1.04% Ni, 0.46% Cu, 0.05% Co from 460m in ANDD00432³. The mineralogy of these intersections and association with gabbro intrusions is similar to the Sherlock Bay nickel deposit associated with the Sherlock Intrusive (Figure 1).

In summary, the Company is focused on completing studies that maximise the cash-flow potential of the current SBNP resource, in parallel with developing a program to take advantage of the outstanding opportunity at Sherlock Bay to discover higher grade nickel sulphides in the near-resource environment. The addition of higher-grade nickel sulphide discoveries would likely have a very positive impact on the economics of the SBNP and drill-targeting is well advanced.

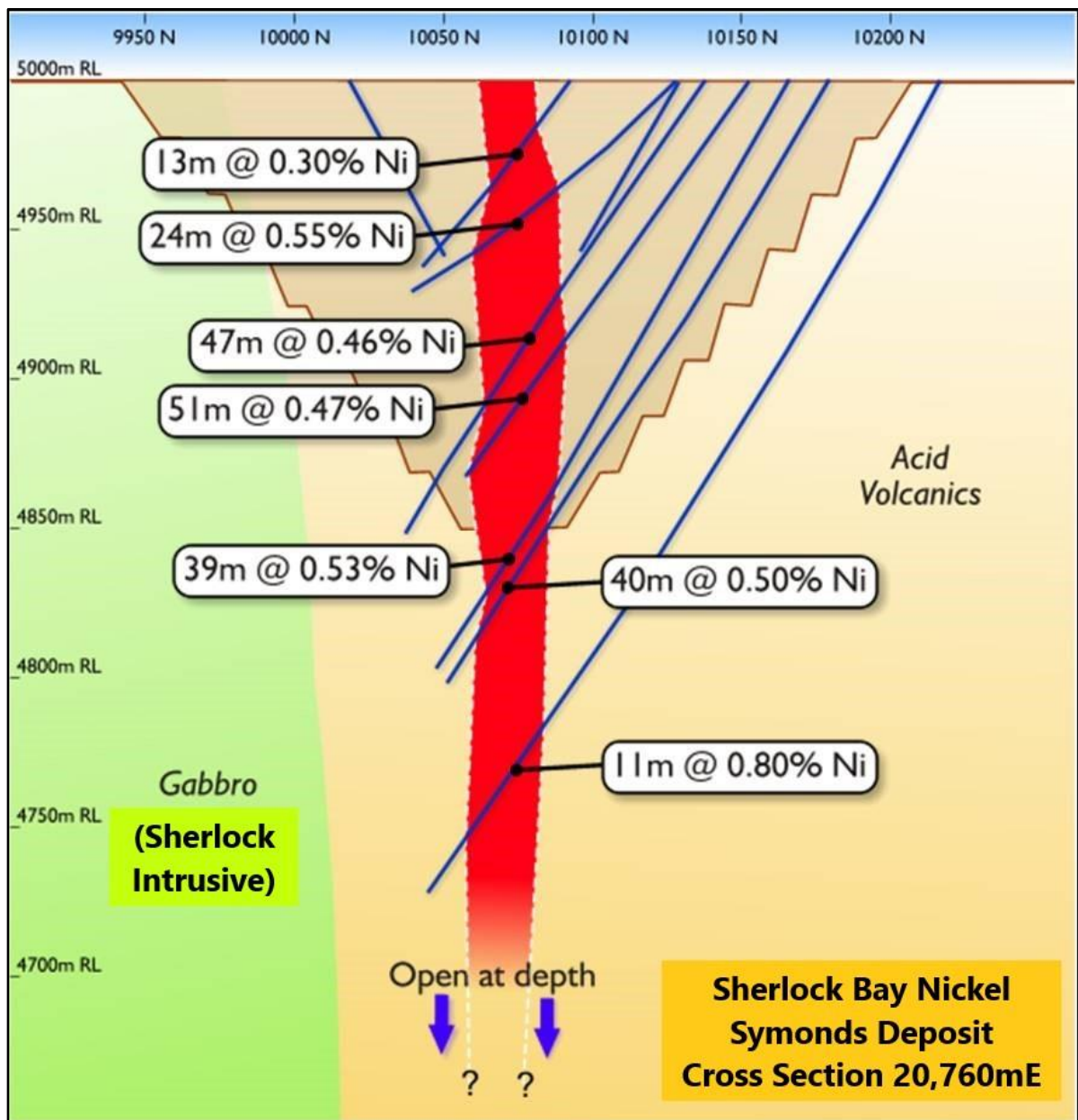


Figure 4 - Sherlock Bay Nickel Project, cross section 20,760mE, Symonds deposit with Ni Intersections

Ninghan Gold Project, E59/2402, WA

During the Quarter the Company completed the acquisition of the Ninghan Gold Project, E59/2402 (“the Project”), which is located approximately 50km southwest of Paynes Find in the southern part of the, highly gold-endowed, Murchison Province of Western Australia⁴.

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 by Capricorn Metals Ltd⁵ of **2.1Moz, for a total of 3.0Moz pre-mining gold endowment** (see Figure 5 below).

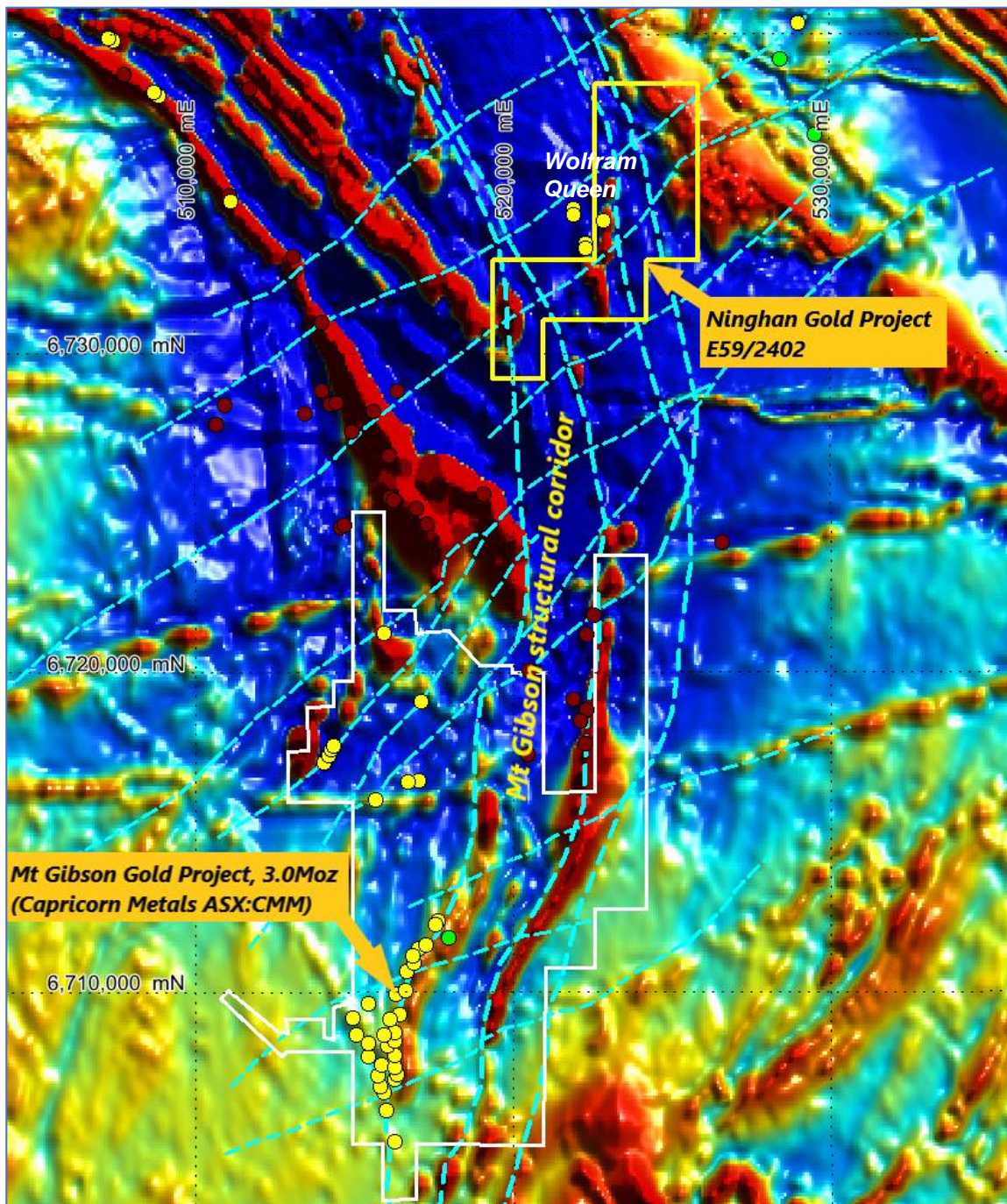


Figure 5 - Ninghan Gold Project on regional magnetic image (TMI, RTP) and Mt Gibson gold deposit

The Mt Gibson gold deposit is associated with a north-northeast trending structural corridor that continues from Mt Gibson, north, passing through the western side of E59/2402 in an area of shallow cover/no outcrop. A second, parallel, north-south trending structure passes through the eastern side of the tenement, also in an area of cover. The historical Wolfram Queen gold-tungsten mine occurs in the outcropping area in between these key structural corridors and is associated with north-northeast trending cross-faults that continue into targeted areas to the northeast and southwest (Figures 4 and 5).

Interpretation of regional aeromagnetics (Figure 4) indicates that the two, gold-anomalous, structural corridors extend for 5km strike-length within the Ninghan Gold Project tenement. These structural corridors are interpreted to continue and link with the >3.0Moz Mt Gibson gold deposit less than 20km to the south. Previous RAB and limited aircore drilling has confirmed that the buried structures are highly gold anomalous with two key anomalous corridors identified, the Triple A and the Beanthinny zones (Figure 6)⁶.

Further, detailed, magnetics and ground-gravity surveys are planned to define structural targets within these key prospective corridors, in parallel with angled aircore drilling and targeted deeper RC drilling.

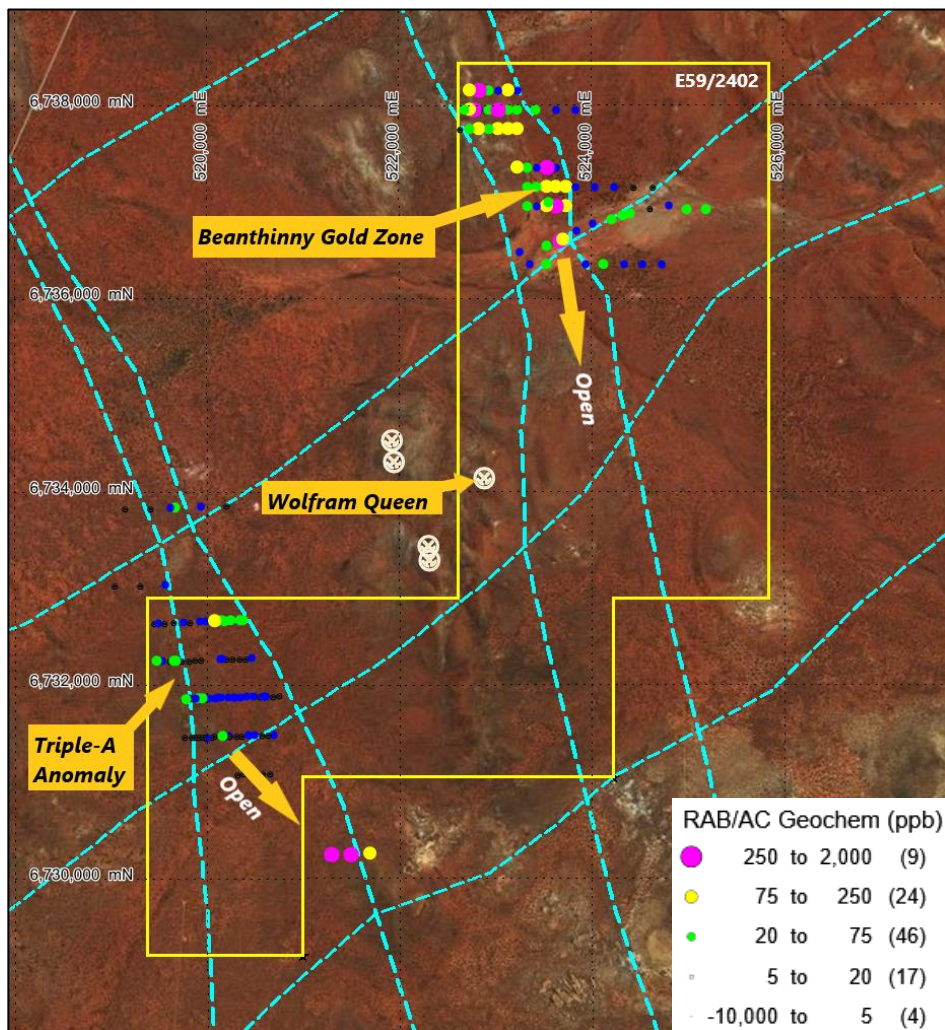


Figure 6 - Ninghan Gold Project RAB/Aircore best DH gold geochemistry on aerial photo with structure

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.

Youanmi Gold Project, E57/1125 (Bonanza) and E57/1136 (Beacon), WA

The Youanmi gold Project 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.

Border Zinc Project, EPL 3542, Namibia:

The Company, through Sabre Resources Namibia Pty Ltd, holds a 70% interest in EPL 3542 (see location, Figure 5), which is currently under renewal application to the Namibian Ministry of Mines and Energy. EPL 3542 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 location Figure 7).

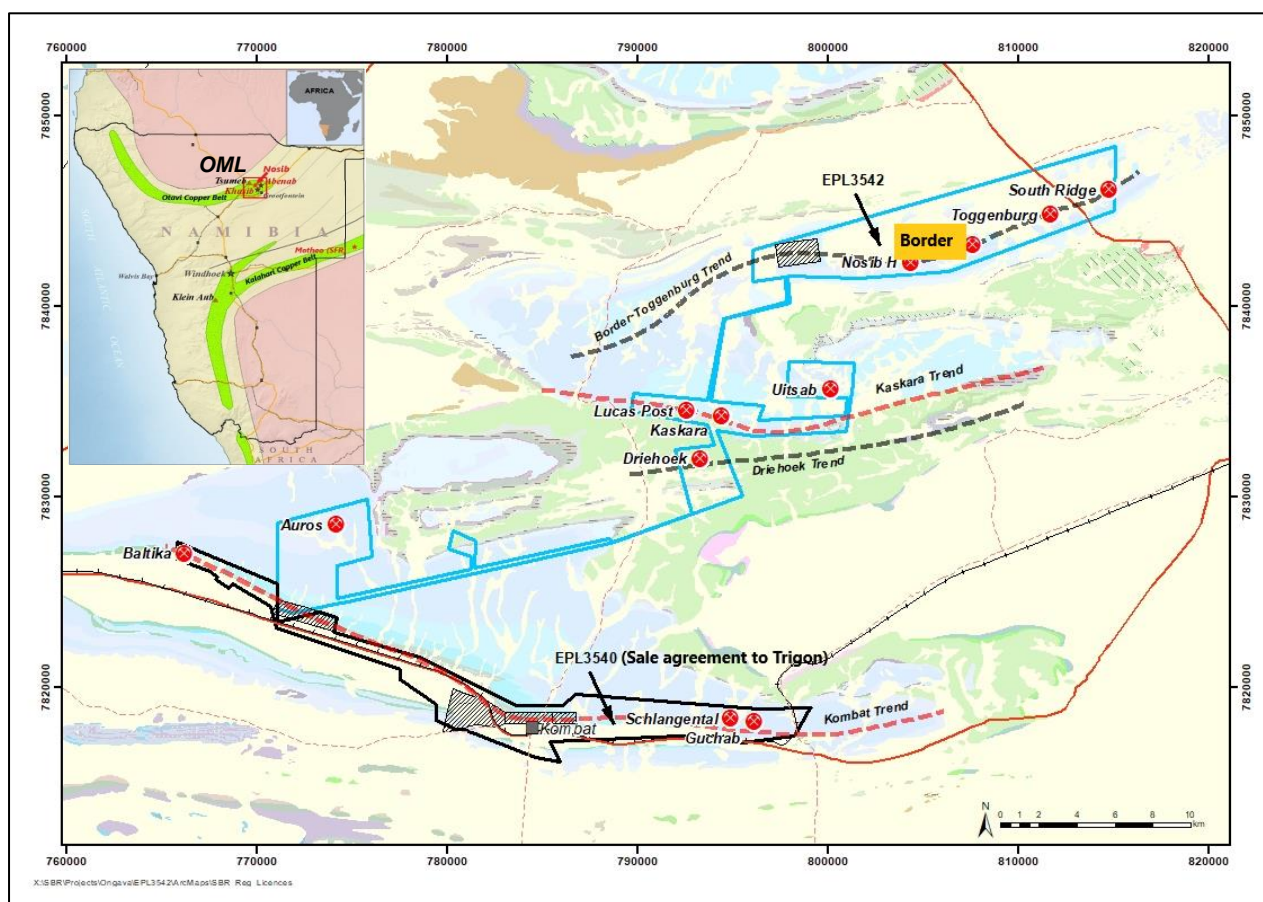


Figure 7 - Otavi Mountain Land Tenements EPL3542 in Namibia, Border zinc-lead-silver deposit location

In March 2021, Sabre engaged DRA Global to conduct a scoping study on the Border lead-zinc deposit⁷. 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), containing nearly 250,000 tonnes Zn, 95,000 tonnes Pb and 2.5 Moz Ag^{8,9}.**

Phase 1 of the scoping study examined an open pit mining operation with ore processed at a centralised processing plant, utilising heavy-media separation to produce a relatively low-volume concentrate for further processing via flotation to produce a concentrate that metallurgical testing indicates would grade up to 65% Pb and 62% Zn (with silver credits)⁷.

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 intersections¹⁰ 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 and renewal of the EPL3542.

Corporate

Cash Position

Sabre Resources net expenditure during the Quarter was \$224K and the cash position as at 30th September 2021 was **\$4.634 million**. Payments to related parties of the entity and their associates was limited to payment of director fees and superannuation totalling \$3k (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 Azure Minerals Ltd announcement, 2nd August 2021. High-Grade Hits Continue at Andover.

⁴ Sabre Resources Ltd announcement, 21st July 2021. Acquisition of gold Project in Western Australia.

⁵ Capricorn Metals Ltd announcement, 28th July 2021. Capricorn Acquires 2.1 Million Ounce Mt Gibson Project.

⁶ Sabre Resources Ltd announcement, 24th September 2021. Sabre to Complete Acquisition of Ninghan Gold Project.

⁷ Sabre Resources Ltd announcement, 4th March 2021. Scoping Study commenced on Border Lead-Zinc Deposit.

⁸ Sabre Resources Ltd announcement, 16th October 2014. Border Zinc Deposit Resource Update.

⁹ Sabre Resources Ltd announcement, 24th January 2012. Border Resource Exceeds 16 million tonnes.

¹⁰ Sabre Resources Ltd announcement, 15th July 2015. Toggenburg Zinc-Lead Footprint Extends to Over 2.8km.

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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Company Secretary
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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 Golden Deeps 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 1 – Sabre Resources Ltd, Tenement Schedule as at 30 September 2021

Tenement	Jurisdiction	Project	Interest	Area km ²	Grant Date	Expiry Date	Comments
M47/0567	Australia - WA	Sherlock Bay	70%	10.0	23/09/04	22/09/25	Live
L47/0124	Australia - WA	Sherlock Bay	70%	1.0	21/07/04	20/07/25	Live
E59/2402	Australia - WA	Ninghan	100%	30.0	30/08/21	29/08/26	Live
E57/1125	Australia - WA	Bonanza	100%	18.0	10/01/20	9/01/25	Live
E57/1136	Australia - WA	Beacon	100%	15.0	24/03/20	23/03/25	Live
EPL3542	Namibia	Otavi	70%	116.3	30/10/06	7/05/21	Renewal application, determination pending

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 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(3)	(3)
(e) administration and corporate costs	(152)	(152)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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)	-	-
1.9 Net cash from / (used in) operating activities	(155)	(155)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(224)	(224)
(e) investments	-	-
(f) other non-current assets	-	-

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 (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(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	(224)	(224)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,013	5,013
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(155)	(155)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(224)	(224)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,634	4,634

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	4,634	4,634
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)	4,634	4,634

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	(3) ¹
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

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)	(175)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(190)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(365)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,634
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,634
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	12.70
<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:	
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:	
<i>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.</i>	

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: 29 October 2021

Authorised by: 
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Michael Muhling – Company Secretary
On behalf of the 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.