

ASX ANNOUNCEMENT

10 August 2022

ASX code: **SBR**

DRILLING UNDERWAY TO EXTEND SHERLOCK BAY NICKEL SULPHIDE RESOURCE

- ***First hole testing priority EM anomaly targeting high-grade to massive nickel sulphides***
 - **Drilling of the first of four holes in a new diamond drilling program of up to 2,400m is underway at the Sherlock Bay Nickel-Copper-Cobalt Project in Western Australia's Pilbara.**
 - **First hole is testing down-plunge extensions of the current nickel sulphide resource, where an EM anomaly indicates the presence of higher-grade to massive nickel (Cu, Co) sulphides.**
 - **Downhole EM will be carried out as each diamond drillhole is completed to detect extensions of in-hole or off-hole conductors, that may represent massive nickel sulphide bodies for follow-up drilling.**
 - **Drilling targets modelled and refined from new gravity survey² data indicating massive nickel sulphides could occur in positions analogous with deposits such as Nova-Bollinger.**

Sabre Resources CEO Jon Dugdale commented: *"We are delighted to get this highly-anticipated diamond drilling program underway at Sherlock Bay to test our theory that the nickel sulphide resources improve in grade with depth and are associated with the underlying Sherlock Intrusive."*

"The drilling will target the intersection of the mineralised horizon with the Sherlock Intrusive, a similar setting to other major massive nickel sulphide deposits in WA such as Nova-Bollinger.

"Building on our existing nickel-copper-cobalt resources, the discovery of higher-grade to massive nickel sulphides at Sherlock Bay would significantly enhance the economics of the Project."



Diamond drilling rig on drill site 22SBDD001, looking south towards Sherlock Bay nickel sulphide resource

Sabre Resources Ltd (ASX: SBR) is pleased to announce a new diamond drilling program is underway at the Sherlock Bay Nickel-Copper-Cobalt (sulphide) Project (“Sherlock Bay” or “the Project”), 70km east of Roebourne in Western Australia’s Pilbara region (see location, Figure 1).

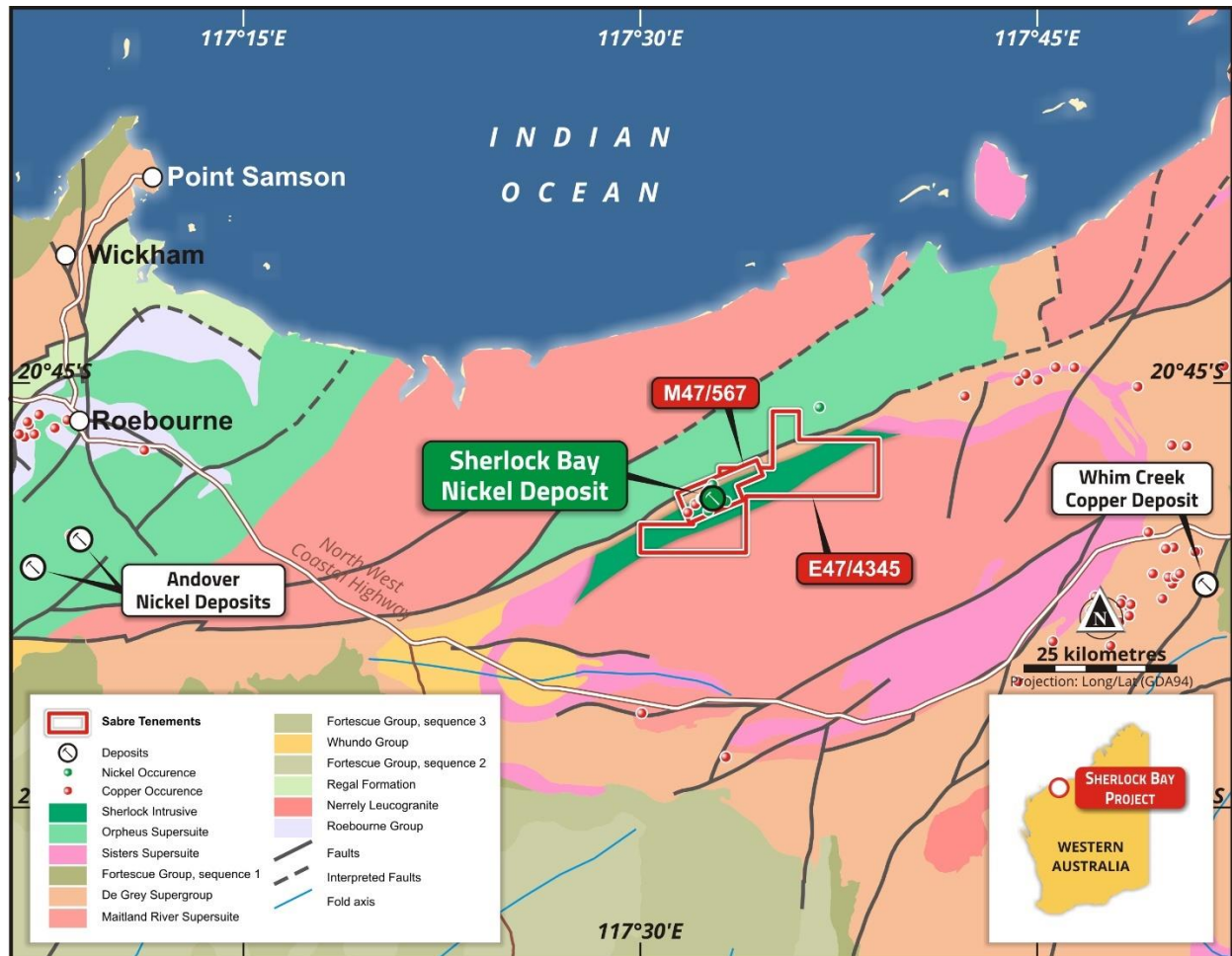


Figure 1: Sherlock Bay Nickel-Copper-Cobalt Project, regional geology and location plan

The four-hole (up to 2,400m) program will test for higher-grade to massive nickel (Ni) sulphides down plunge of (below) both the Discovery and Symonds resources at Sherlock Bay (see longitudinal projection, Figure 2)^{1,2}.

The first diamond hole is being drilled to test the western end of the resource from north to south and down-plunge of the Discovery zone, where an electromagnetic (EM) anomaly indicates potential for high-grade to massive nickel-copper-cobalt sulphides at depth (see cross section, Figure 3).

The second, deeper hole will test this zone from south to north, targeting deeper potential for the mineralised horizon to intersect the Sherlock Intrusive, which was recently detected with gravity imagery to be situated below the sulphide resource².

The third and fourth diamond holes will target the same scenario at the eastern, Symonds zone, 1.2km east of Discovery (Figure 2). The four holes will be drilled to depths of up to 750m, with the program expected to take up to three months to complete on a single shift basis.

Sabre’s exploration model is to target massive sulphides where the mineralised horizon projects to intersect the footwall of the Sherlock Intrusive, potentially representing the “neck” of the intrusion. Massive sulphides occur in this position at analogous deposits such as the Nova-Bollinger nickel sulphide deposit, also in WA (see IGO Ltd, ASX:IGO).

The drilling program is being co-funded by the WA Government for up to 50% of the direct drilling costs, and \$10,000 mobilisation costs, capped at a total of \$220,000³.

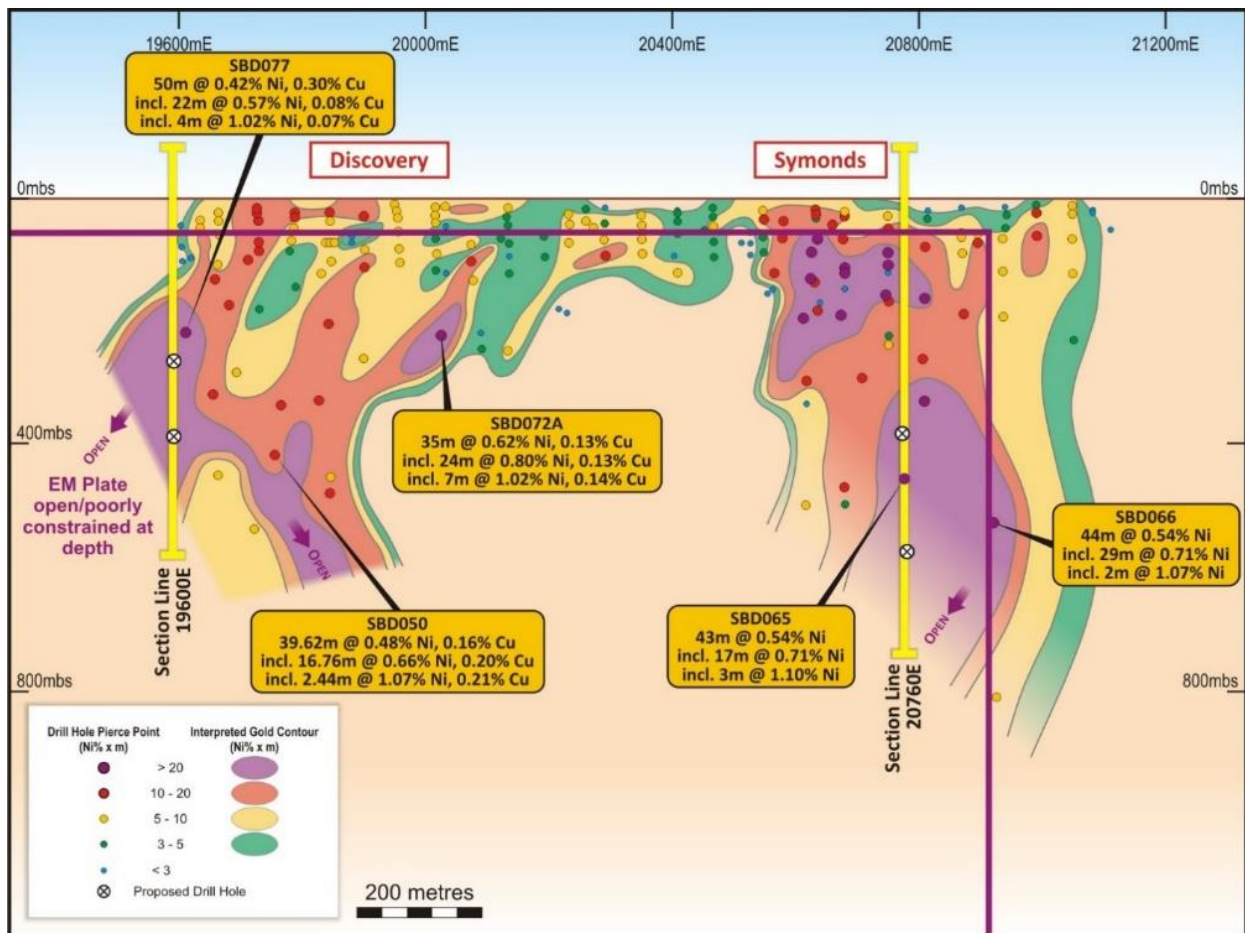


Figure 2: Sherlock Longitudinal Projection with Ni x m contours and planned drill-points.

The latest program will also include down-hole EM (DHEM) surveying to detect massive sulphides associated with either in-hole or off hole conductors – an exploration technique successfully applied by Azure Minerals Ltd (ASX:AZS) at the high-grade Andover nickel sulphide discovery, 70km along strike to the west of Sherlock Bay (Figure 1).

The recently announced Andover nickel sulphide Mineral Resource of **4.6Mt @ 1.11% Ni, 0.47% Cu, 0.05% Co⁴** is hosted by a similar mafic intrusion to the Sherlock Intrusive at the Sherlock Bay nickel-copper-cobalt deposit (Figure 1).

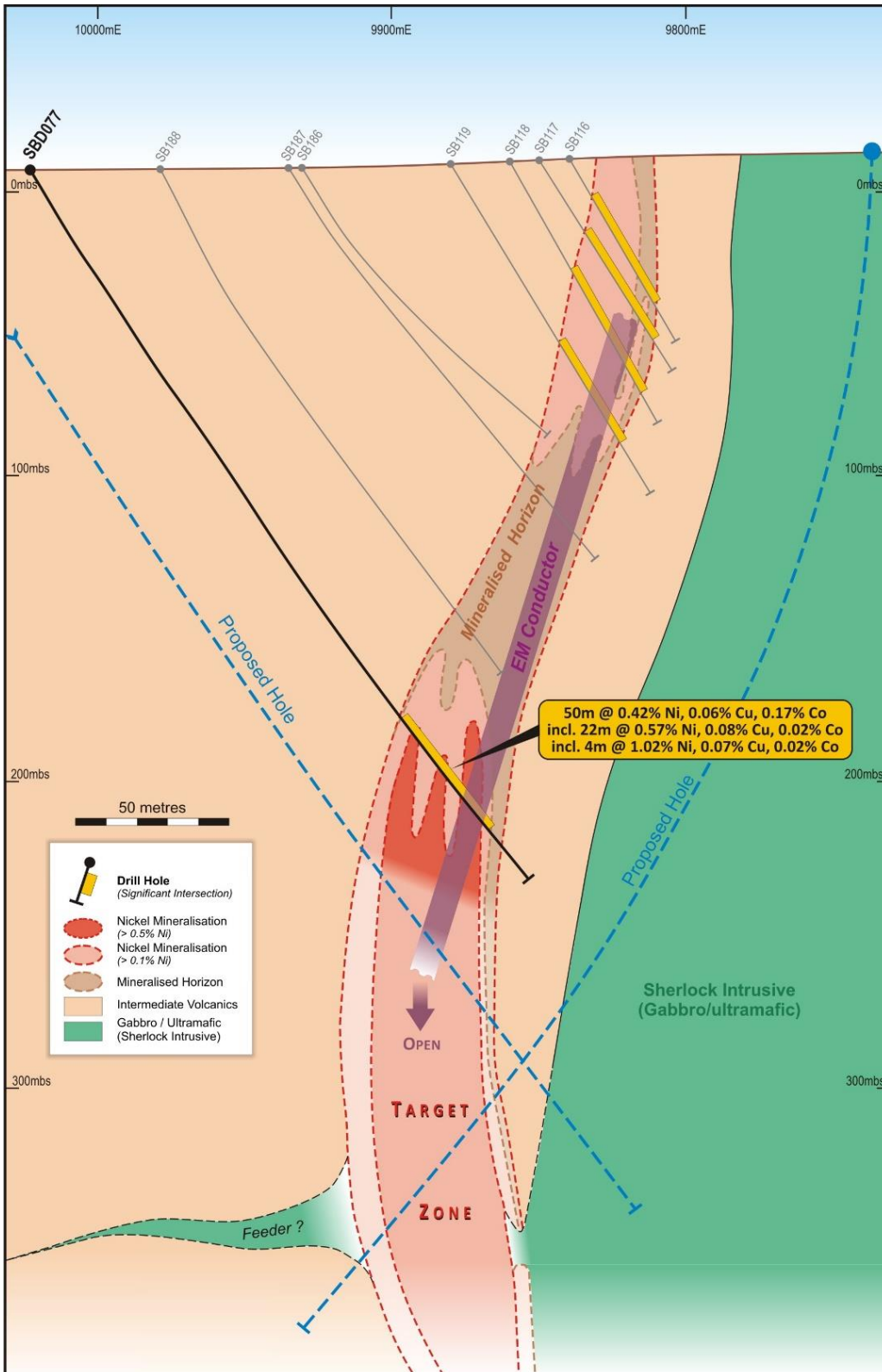


Figure 3 - Sherlock Bay nickel deposit, cross section 19,600mE with Target Zone.

About Sabre Resources

Sabre Resources is an ASX-listed company (ASX:SBR) focused on the exploration and development of a highly-prospective portfolio of nickel sulphide and gold assets in Western Australia, and uranium and base metal prospects in the Northern Territory.

The Company's flagship project is the **Sherlock Bay Nickel-Copper-Cobalt Project**⁵ – a significant nickel sulphide discovery in Western Australia's highly prospective Pilbara Region (Figure 4).

The Sherlock Bay Project includes a JORC 2012 Mineral Resource of **24.6Mt @ 0.40% Ni, 0.09% Cu, 0.02% Co, containing 99,200t Ni, 21,700 tonnes Cu and 5,400 tonnes Co** (including a Measured 12.48Mt @ 0.38% Ni, 0.11% Cu, 0.025% Co; Indicated 6.1Mt @ 0.59% Ni, 0.08% Cu, 0.022% Co and Inferred 6.1Mt @ 0.27% Ni, 0.06% Cu, 0.01% Co)⁶.

Sabre is also earning an 80% interest in the **Sherlock Pool**⁷ tenement (Figure 4), which covers immediate strike extensions to the northeast and southwest of Sherlock Bay.

The Company is also earning 80% of the **Nepean South**⁸ tenement which covers a >10km corridor of prospective ultramafic rocks south of the Nepean Nickel Mine⁸. A RC drilling program is underway² testing nickel sulphide targets at Nepean South under previous RAB results of up to 6m @ 1.84% Ni.

Sabre has an 80% interest in three exploration licence applications at **Cave Hill**⁸ over a >50km strike length of interpreted extensions of the Nepean and Queen Victoria Rocks nickel sulphide belts, adjoining the Nepean South tenement.

Sabre's 100% owned **Ninghan Gold Project**⁹ in Western Australia's southern Murchison district is located less than 20km along strike from the Mt Gibson gold mine, which has a ~3Moz gold resource endowment⁹. Previous RAB and aircore drilling has defined two strongly anomalous zones of gold-arsenic mineralisation at Ninghan where follow-up drilling is planned.

Sabre also holds a 100% interest in the **Bonanza** and **Beacon** exploration licences near Youanmi in WA.

In the Northern Territory, Sabre holds an 80% interest in the **Ngalia** Uranium Project⁸, which comprises two recently granted exploration licences: **Dingo** EL32829 and **Lake Lewis** EL32864 in the highly prospective Ngalia Basin.

Sabre also holds an 80% interest in the **Cararra** EL32693⁸ copper-gold and lead-zinc-silver project at the junction of the Tennant East Copper-Gold Belt and the Lawn Hill Platform/Mt Isa Province.

References

¹ Sabre Resources Ltd, 11th April 2022. *Drilling of High-Grade nickel EM Targets Set to Commence.*

² Sabre Resources Ltd, 21st July 2022. *Sabre Launches Key Nickel Sulphide Drilling Programs.*

³ Sabre Resources Ltd, 11th April 2022. *WA Govt. Co-funding for High-Grade Ni Sulphide Drilling.*

⁴ Azure Minerals Ltd (ASX:AZS), 30th March 2022. *Azure Delivers Maiden Mineral Resource for Andover.*

⁵ Sabre Resources Ltd, 27th January 2022. *Sherlock Bay Ni Scoping Study Delivers Positive Cashflow.*

⁶ Sabre Resources Ltd, 12th June 2018. *Resource Estimate Update for the Sherlock Bay Ni-Cu-Co Deposit.*

⁷ Sabre Resources Ltd, 13th December 2021. *Agreements to Acquire Three Nickel Sulphide Projects.*

⁸ Sabre Resources Ltd, 7th February 2022. *Sabres Acquires Key Nickel Sulphide and Uranium Projects.*

⁹ Sabre Resources Ltd, 24th September 2021. *Sabre to Complete Acquisition of Ninghan Gold Project.*

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

ENDS

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

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Cautionary Statement regarding Forward-Looking information

This document contains forward-looking statements concerning Sabre Resources Ltd. 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 Statements

The information in this report that relates to exploration results, metallurgy and mining reports and Mineral Resource Estimates has been reviewed, compiled and fairly represented by Mr Jonathon Dugdale. Mr Dugdale is the Chief Executive Officer of Sabre Resources Ltd 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, development studies 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.

Regarding the Mineral Resource Estimate for the Sherlock Bay Nickel Deposit, released 12 June 2018, 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 announcement.

Appendix 1: JORC Code, 2012 Edition – Table 1 (Sherlock Bay Project)

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> RC drilling was conducted using a 5 ¼" face sampling bit on a nominal 20m by 60 m spacing. RC samples were collected in large plastic bags from riffle splitter and a 2-5 kg representative sample taken for analysis. Diamond drilling was sampled to geological contacts then at 1 m or 1.52 m intervals with quarter core samples taken for analysis. Collar surveys were carried using total station electronic equipment. Down hole surveys for each hole were completed using single shot cameras. Sampling was limited to the visually mineralised zones with additional sampling of several metres either side of the mineralisation.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> The majority of RC drilling was completed in 2004 and 2005 by Sherlock Bay Nickel Corporation (SBNC) using face sampling equipment. Core drilling included historic holes completed in the 1970's by Texas Gulf as well as a substantial number of holes completed in 2005 by SBNC.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Drill core recovery was measured and was generally excellent. No record of RC sample quality was located, however drilling conditions were good and samples generally from fresh rock and no problems were anticipated. No obvious relationships between sample recovery and grade.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative 	<ul style="list-style-type: none"> All holes were logged in the field at the time of drilling. No core photographs were located.

Criteria	JORC Code Explanation	Commentary
	<p><i>in nature. Core (or costean, channel, etc) photography.</i></p> <ul style="list-style-type: none"> <i>The total length and percentage of the relevant intersections logged.</i> 	
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> 1m RC samples were split by the riffle splitter on the drill rig and sampled dry. The sampling was conducted using industry standard techniques and were considered appropriate. No formal quality control measures were in place for the programs.
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> Historic drill samples were assayed using four acid digest and AAS analysis at accredited laboratories. Samples from the 2004 and 2005 programs were assayed using four acid digest and AAS analysis at the Aminya and ALS laboratories. QAQC data was limited to assay repeats and interlaboratory checks which showed acceptable results.
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Field data was loaded into excel spreadsheets at site. Original laboratory assay records have been located and loaded into an electronic database. Hard copies of logs, survey and sampling data are stored in the SBR office. No adjustment to assay data.
<p>Location of data points</p>	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> SBNC drill hole collars were accurately surveyed using electronic total station equipment. A local grid system was used with data converted to WGS84. Topography is very flat with control from drill hole collars and field traverses.

Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Drilling was on a nominal 20m by 60m spacing in the upper 200m of the deposit. • Deeper mineralisation was tested at approximately 120m spacing. • Drill data is at sufficient spacing to define Measured, Indicated and Inferred Mineral Resource. • Samples were composited to 2 m intervals for estimation.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Shallow holes were drilled at -60° into a vertical trending zone and orientated perpendicular to the known strike of the deposit. • Deeper diamond holes flattened to be approximately orthogonal to the dip of mineralisation. • No orientation based sampling bias has been identified in the data.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples were organised by company staff then transported by courier to the laboratory.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Procedures were reviewed by independent consultants during the exploration programs in 2005 by SBNC.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<ul style="list-style-type: none"> The deposit is located on granted mining lease M47/567 with an expiry date of 22/9/2025. SBR has a 70% beneficial interest in the project.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Discovery and initial exploration was completed by Texas Gulf in the 1970's. Majority of exploration was completed by SBNC in 2004 and 2005.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The project is hosted within the Archaean West Pilbara Granite-Greenstone Belt. It comprises two main lenticular lodes (termed Discovery and Symonds Well) hosted within a sub-vertical to steep north dipping chert horizon. Mineralisation is associated with strong foliation and/or banding of a silica-chlorite-carbonate-amphibole-magnetite chert. There is broad correlation of Ni, Cu and Co grade to sulphide content with the main species being pyrrhotite, pyrite and chalcopyrite.
Drill hole information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Results are reported in local grid coordinates. Drill hole intersections used in the resource have been historically reported.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Length weighted average grades have been reported. No high-grade cuts have been applied. Metal equivalent values are not being reported.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., down hole length, true width not known’).</i> 	<ul style="list-style-type: none"> • The majority of holes have been drilled at angles to intersect the mineralisation approximately perpendicular to the orientation of the mineralised trend. • Some steeper holes will have intersection length greater than the true thickness.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • A relevant plan showing the historical drilling is included within the <i>Sabre Resources Ltd announcement of 12th June 2018 “Resource Estimate Update for the Sherlock Bay Nickel-Copper- Cobalt Deposit”.</i> • Representative longitudinal projection is shown on Figures 2.
Balanced Reporting	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • All relevant results available have been previously reported.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Geological mapping, geophysical surveys and rock chip sampling has been conducted over the project area.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large- scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Continued economic analysis of the project is planned. • Up to 2,400m diamond drilling program to extend high-grade resources is planned. • Representative longitudinal projections, Figure 2, showing targeted projections and further drilling planned.