ASX ANNOUNCEMENT

14 August 2018 ASX Code: **SBR**

POSITIVE MINING STUDY FOR THE SHERLOCK BAY NICKEL-COPPER-COBALT DEPOSIT

HIGHLIGHTS

- **Sherlock Bay Ni-Cu-Co deposit Mining Study and Mining Cost update received from AMC Consultants**
- **Evaluation completed on conceptual open pit and underground mining operations using current mining costs**
- **Mining study costs and schedules provide the Company with confidence that the deposit has potential for future development**
- **Sabre is very encouraged by the positive results of the mining study and will now proceed to a detailed processing study and operating/capital cost update**
- **When the processing study is received, Sabre will combine it with this updated mining study and will prepare an updated scoping/pre-feasibility study for the project**

The Directors of Sabre Resources Limited (ASX:SBR, Sabre or the Company) are pleased to announce that the Company has received a review and update of the mining study for the Sherlock Bay nickel-copper-cobalt deposit from AMC Consultants Pty Ltd (AMC).

Since acquiring the Sherlock Bay Project at the end of January 2018, Sabre has compiled a database of geological and technical information; restated the resource estimate for the Sherlock Bay deposit in compliance with the JORC Code 2012; completed an updated mining study; and is now embarking on a processing study, to be followed by feasibility studies for the project. Sabre is very pleased that this has all been accomplished in 6 months and the Company intends to progress feasibility work as quickly as possible in order to maximise exposure to a forecast rising nickel price.

SHERLOCK BAY PROJECT

The Sherlock Bay Project (the Project) is located in the Pilbara region of Western Australia, approximately 75 km to the east of the town of Karratha and 120 km southwest of Port Hedland. The Project comprises a mining lease and two exploration licenses (Figure 1) that collectively cover a total of 189 km^2. The project is located in a region with excellent mining-related infrastructure and can readily be accessed via sealed highway and upgraded pastoral station tracks.

The Sherlock Bay nickel-copper-cobalt deposit has a total mineral resource estimate of 24.6 Mt grading 0.4% nickel, 0.09% copper and 0.02% cobalt (*see Appendix I*, *refer to Sabre Resources ASX announcement dated 12 June, 2018*). A number of feasibility studies have previously been completed on the development of the Sherlock Bay deposit and there is extensive historical information available on the mining, metallurgy, processing and infrastructure requirements for the project.

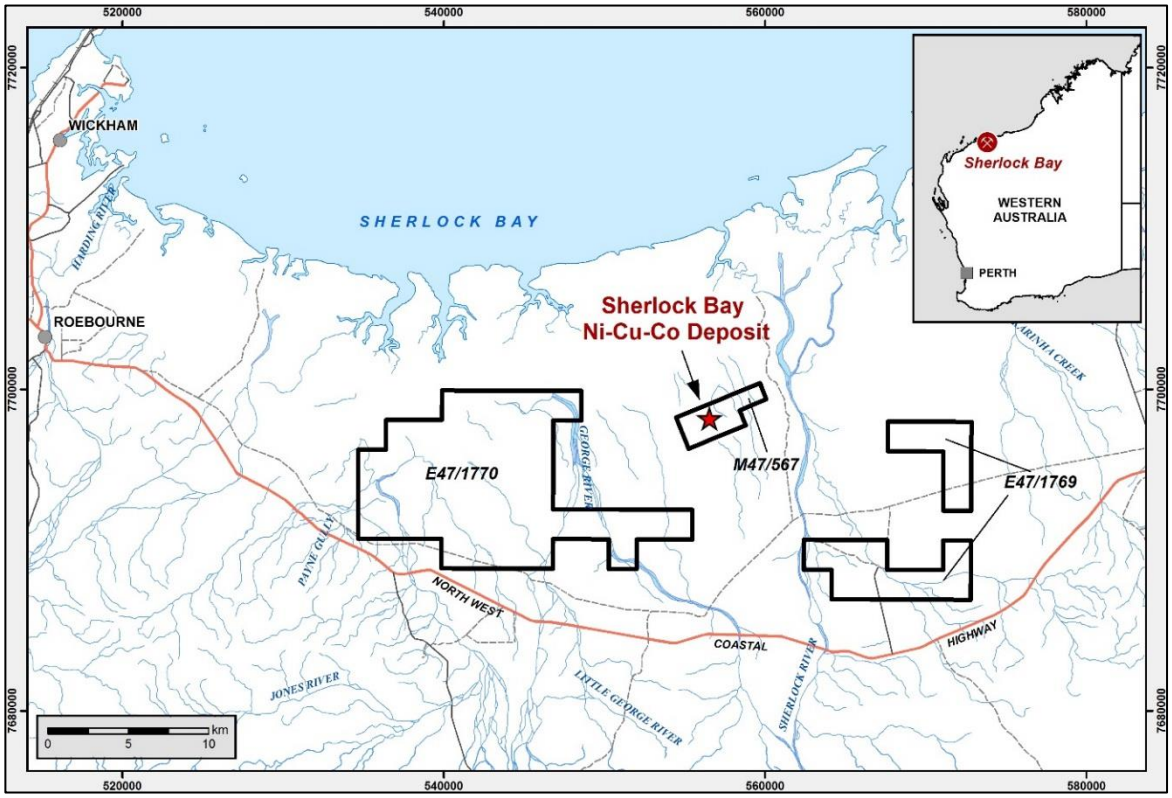

Figure 1: Location map of the Sherlock Bay Project in Western Australia

MINING STUDY UPDATE

Sabre commissioned AMC Consultants Pty Ltd (AMC) to undertake a review of the mining study for the Sherlock Bay deposit, updating costs for the open pit mining and evaluation of underground mining.

The open pit cost update has been based on the recently updated resource estimate, which is restated in compliance with the JORC Code 2012 (Appendix I). The underground cost update has been based on the resource model and evaluation detailed in the Sherlock Bay Mining Study report completed by AMC in 2005 (2005 Report).

To comply with ASX Listing Rules, Sabre cannot release details of projected cash flows and detailed costs in the mining study update at this time. These data will be released on completion of a processing study and when fully incorporated into a comprehensive scoping/pre-feasibility study.

The open pit optimisation, pit design and all cost updates (both open pit and underground) were carried out by AMC at scoping study level. The updates are based on contractor mining. The scoping studies referred to in this report are based on low-level technical and economic assessments and are insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the scoping studies will be realised.

The following limitations apply to the cost updates detailed in the AMC report:

- Capital expenditure costs were excluded from the pit optimisation process and cash flow evaluation;
- Capital costs included in the underground evaluation were limited to capital development and infrastructure required to support the underground operation;

- Financial evaluations shown in the report are based on the open pit operating costs and the underground operating and capital costs only. Site establishment and infrastructure costs external to mining are not included.

The processing costs are based on a heap leach operation for metal recovery.

Open Pit Mining

The updated resource estimate block model, relevant input parameters and mining costs were used by AMC to create optimal pit shells using Whittle Four-X software. A suitable pit shell was used to prepare a preliminary pit designs (Figure 2), pit stages and schedule.

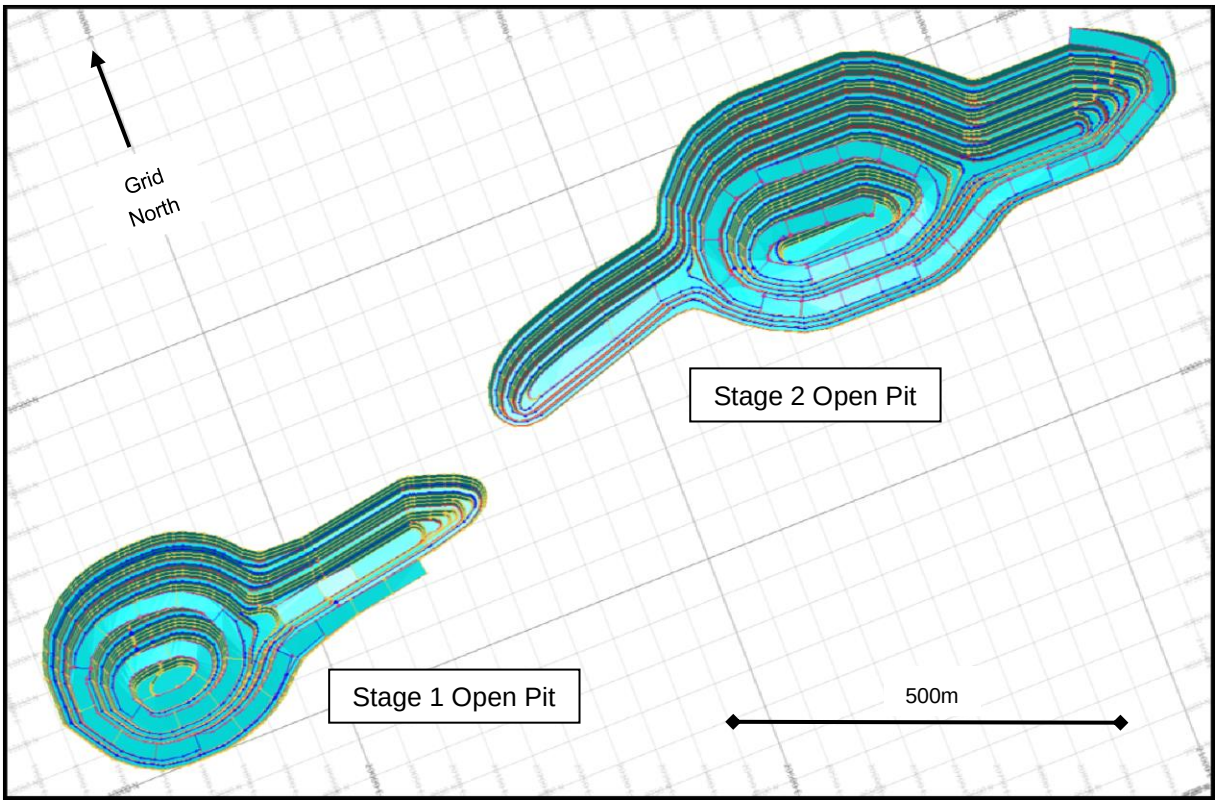

Figure 2: 3D visualization of conceptual Sherlock Bay open pit designs looking down and to north

Underground Mining

The updated costs for the underground were applied to the evaluation detailed in the 2005 Report for mining using a longitudinal sublevel caving method. There were no changes to:

- Resource model used;
- Mining method;
- Access and infrastructure;
- Ventilation;
- Materials handling;
- Mining designs; and
- Schedules (capital development, operating development, production).

A schematic long section of the conceptual Sherlock Bay underground mine layout is shown on Figure 3.

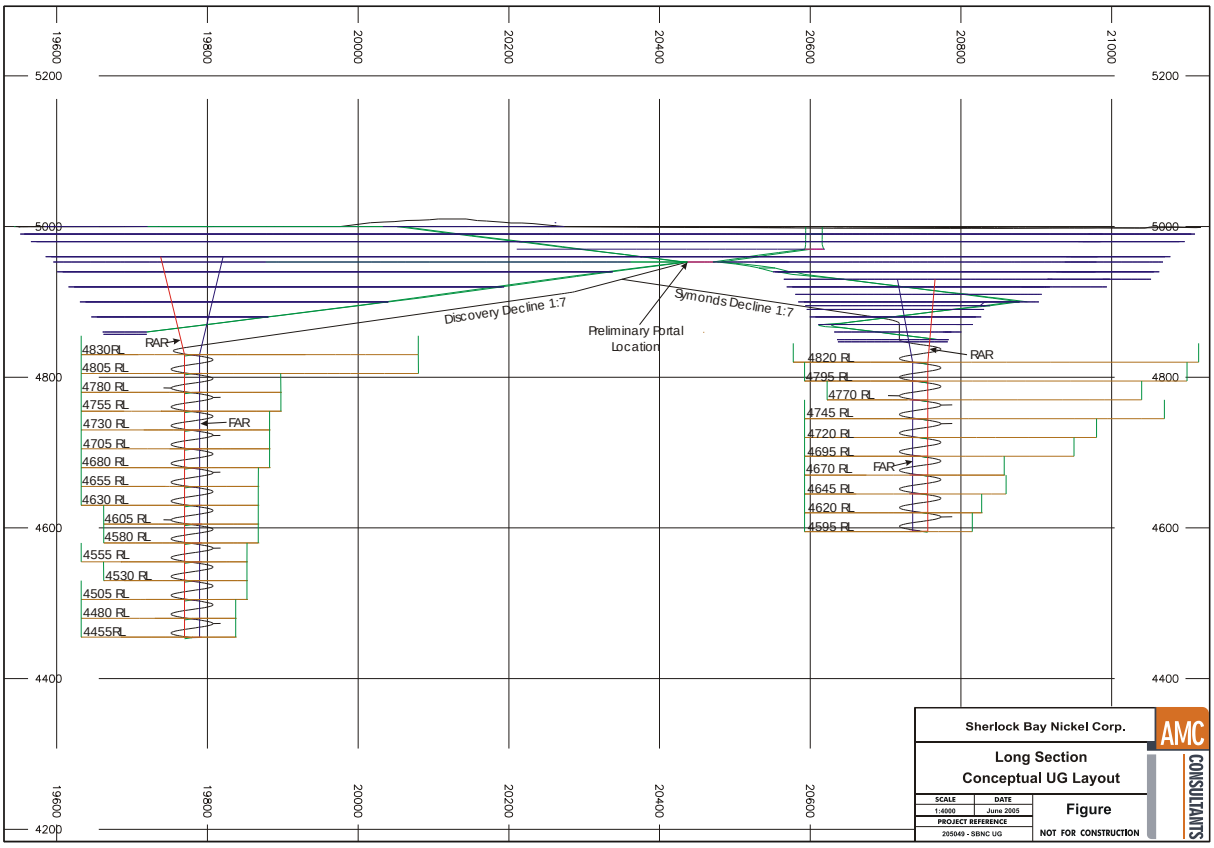

Figure 3: Long section of conceptual Sherlock Bay underground mine layout

Summary

The individual and combined cost schedules documented by AMC for the conceptual open pit and underground mining at the Sherlock Bay deposit are regarded by Sabre as very positive and provide the Company with confidence that the Sherlock Bay deposit may have potential to become an economic mining development.

The results of the mining study and mining cost update have encouraged the Company to proceed with further studies of processing options and to update estimates for the capital and operating costs for the Sherlock Bay Project.

Sabre is continuing to compile development data and intends to prepare an updated scoping/pre-feasibility study for the Project.

ENDS

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Competent Person Declaration

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, as applicable, is based on information compiled by Mr Lachlan Reynolds who is a consultant to Sabre Resources Ltd, and who is a Member of The Australian Institute of Mining and Metallurgy. Mr Reynolds 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 "Australian 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.

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.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Sabre Resources Ltd's planned exploration program 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 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.

Appendix I Sherlock Bay Resource Estimate

			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
Total	**12.5**	**0.38**	**0.11**	**0.025**	**47,100**	**13,200**	**3,100**
			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
Total	2.1	0.63	0.08	0.024	13,200	1,600	500
Indicated	**6.1**	**0.59**	**0.08**	**0.022**	**35,700**	**4,700**	**1,300**
			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
Total	**6.1**	**0.27**	**0.06**	**0.016**	**16,400**	**3,700**	**900**
			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
Total	**24.6**	**0.40**	**0.09**	**0.022**	**99,200**	**21,700**	**5,400**

(Note that rounding discrepancies may occur in summary tables)