

17 August 2018



Dear Shareholder,

### **Invitation to Participate in Share Purchase Plan**

On behalf of the Directors of Sabre Resources Limited (ACN 003 043 570) (**the Company**), I am pleased to offer for your consideration, the opportunity to participate in a Share Purchase Plan (**Plan**) (**Offer**). The Plan follows a successful placement of 105,868,052 fully paid ordinary shares at a price of \$0.015 per share together with one free attaching option for every one share (exercisable at \$0.03 each on or before 31 October 2019) (**Placement Options**) to sophisticated and professional investors, raising approximately \$1,588,000 (**Placement**).

The Company plans to issue up to 50,000,000 New Shares (subject to rounding) to raise a maximum of \$750,000 (before issue costs) under the Plan. Applications will be accepted on a 'first in, first accepted' basis and will not be able to be withdrawn once made. **The Offer will close on the earlier of 14 September 2018 and the date that the maximum amount of \$750,000 has been raised.**

In conjunction with the Placement, this will provide the Company with additional funds of approximately \$2,338,000 to be used towards ongoing mineral exploration on the Company's projects, conducting exploration on the newly acquired projects, the reduction of existing debt and other liabilities and for general working capital purposes.

The Plan entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares priced at a discount of 12% to the volume weighted average market price (**VWAP**) for the Shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced (**Price**). This Price is the same price as Shares were offered to sophisticated and professional investors under the Placement.

The VWAP of Shares traded on the ASX during the 5 trading days immediately prior to the announcement date of the Offer was \$0.017.

Shareholders who participate in the Offer will also be entitled to one free attaching option for every one share offered under the Plan (**Plan Options**). The Plan Options will be issued on the same terms as the Placement Options.

The issue of Plan Options has been approved by Shareholders at the general meeting held on 6 July 2018 and will be issued under a prospectus enclosed with this letter. The directors of the Company who are eligible shareholders do not intend to participate under the Plan.

An outline of the Plan is set out in this letter and the enclosed Terms and Conditions. An application form for the Plan (**Application Form**) is included in this package.

**Investors will need to apply for the Plan Options under the Prospectus with which this Letter is enclosed.**

## Shareholders Eligible to Participate in the Plan

The right to participate under the Plan is optional and is available exclusively to shareholders who are registered as holders of Shares at 5.00pm (WST) on the Record Date of 23 April 2018 and whose registered address is in Australia (**Eligible Shareholders**).

## Current Activities

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at [www.sabresources.com](http://www.sabresources.com).

## How much can you invest?

Eligible Shareholders may each apply for a maximum of \$15,000 worth of Shares under the Plan. Whilst the Company intends to raise \$750,000, the Company may accept additional applications subject to shareholder demand. However, the maximum number of Shares to be issued is limited by the Australian Securities Exchange (**ASX**) Listing Rules to a maximum of 110,802,084 Shares, being 30% of the Company's share capital.

## Subscription and Application Procedure

If you would like to participate in the Offer, you can either:

- complete the enclosed Application Form and send it together with your payment by cheque made payable to "Sabre Resources Limited" and drawn in Australian currency for the correct amount, to the Company's share registry, Advanced Share Registry Ltd at 110 Stirling Highway Nedlands WA 6009 to be received by the share registry no later than 5:00pm (WST) on the **Closing Date of 14 September 2018**. No late applications will be accepted; or
- make a BPAY<sup>1</sup> payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you have multiple holdings you will have multiple BPAY Reference Numbers. To ensure you receive your Shares under the Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalized Application Form when paying for any Shares that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded. **If you make your payment using BPAY<sup>®</sup> you do not need to return your Application Form.** Payments made by BPAY<sup>®</sup> received after 5:00pm (WST) **on 14 September 2018** will not be accepted. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

Applicants should not forward cash and direct bank transfers are not permitted.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

	Total amount payable	Number of Shares which may be purchased
Offer A	\$15,000	1,000,000
Offer B	\$10,000	666,666
Offer C	\$5,000	333,333
Offer D	\$2,500	166,666
Offer E	\$1,000	66,666

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<sup>1</sup> <sup>®</sup> Registered to BPAY Pty Ltd, ABN 69 079 137 518

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date of 14 September 2018**. If the exact amount of money is not tendered with your application, the Company reserves the right to either:

- (a) return your Application Form and/or payment and not allot any Shares to you; or
- (b) allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by you under the Plan or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

### **Underwriting Agreement**

The Company has entered into an underwriting agreement with Tiihaak Business SA (a company incorporated in Panama) (**Underwriter**) to underwrite up to \$500,000 of the Offer. The Company will pay a fee of 3% of the amount underwritten, being \$15,000. The underwriting agreement does not contain any specified termination events. However, the parties will be entitled to terminate the underwriting agreement in accordance with common law contractual principles, including as a result of a breach or repudiation of the agreement.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. While the issue of securities to Shareholders under the Plan will fall within an exception to this requirement, there is no exception for the issue of securities to an underwriter of a security purchase plan.

As such, the number of Shares to be issued to the Underwriter will be capped at such number as is available under the Company's 15% placement capacity, being 45,520,834 Shares (note that the Company received Shareholder approval for the issue of the Plan Options to be issued under the Offer and these will not be included in determining the number of Shares that can be issued to the Underwriter).

### **Custodians and Nominees**

Eligible Shareholders who hold Shares as Custodian or Nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of A\$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

### **Price of Shares**

The Price of Shares to be issued under the Plan is \$0.015 which is a discount of 12% of the VWAP for the shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced. The VWAP of Shares traded on the ASX during the 5 trading days immediately prior to the announcement date of the Offer was \$0.017.

You should note that the market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under this Offer.

### **Acceptance of Risk Factors**

By making an application under this Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the Price is at a discount, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing

its intention to make an Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to making an application under this Offer.

### **Additional Information and Important Dates**

The offer of Shares under the Plan is made in accordance with ASIC Class Order 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act (2001) (Cth). However, the offer of Plan Options does not fall within the ASIC Class Order relief and will therefore be issued under the prospectus enclosed with this letter.

The Offer cannot be transferred and the Directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application. Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$750,000. The Company, however, reserves absolute discretion regarding the final amount raised under the Plan, subject to the ASX Listing Rules.

Although the Offer is made on a 'first in, first accepted' basis, in the event of oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions.

When determining the amount by which to scale back an application, the Company may take into account a number of factors, including the size of an applicant's shareholding, the extent to which eligible shareholders have sold or bought additional shares after the Record Date and the date an application was made. Eligible shareholders are therefore encouraged to submit their applications early.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

### **Foreign offer restrictions**

This document may not be released or distributed in any country other than Australia. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

### **Shortfall Placement**

In the event that less than \$750,000 is applied for, the shortfall up to \$500,000 will be placed to the Underwriter, subject to compliance with the necessary legal requirements.

### **Indicative Timetable**

Record Date for Share Purchase Plan	23 April 2018
Announce Share Purchase Plan	24 April 2018
Section 708A "Cleansing Notice" lodged with ASX	17 August 2018
Dispatch Share Purchase Plan booklet to shareholders and release Offer Letter on the ASX	17 August 2018
Share Purchase Plan Opens	17 August 2018
Closing date for Share Purchase Plan	14 September 2018

Lodge Appendix 3B, Issue of new shares and Plan Options under the Share Purchase Plan	17 September 2018
Quotation on ASX of new shares and Plan Options under the Share Purchase Plan	18 September 2018

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Share Purchase Plan Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Company Secretary, Graham Baldisseri on +61 8 9481 7833.

Yours faithfully

**Michael Scivolo**  
**Director**  
**Sabre Resources Limited**

**SABRE RESOURCES LIMITED (ACN 003 043 570)**  
**Shareholder Share Purchase Plan - Terms and Conditions**

**Purpose**

The purpose of the Shareholder Share Purchase Plan (**the Plan**) is to offer shareholders of Sabre Resources Limited (**Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan). The issue price under the Plan will be at a discount of 12% to the average market price for the Company Shares over the last 5 days on which sales in the shares were recorded on the financial market operated by ASX Limited (**ASX**) before the day on which the issue was announced. The Shares will also be issued without the need to pay brokerage costs and without the need for the Company to issue a Prospectus. Options issued to Eligible Shareholders will be issued under the prospectus enclosed with this letter.

The Plan is governed upon such terms and conditions as the board of directors of the Company, in its absolute discretion, sees fit.

**Shareholders Eligible to Participate**

Holders of the Company's Shares that are registered with an Australian address at the relevant record date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds shares on behalf of another person who resides outside Australia. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any the Company Shares offered under the Plan). Eligible Shareholders who wish to take up the Shares issued under the Plan agree to be bound by the Company's constitution in respect of the Shares issued under the Plan.

An offer may, at the discretion of the directors of the Company (**Directors**), be made under the Plan once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

**Custodians, trustees and nominees**

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annexe to your Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- that you held the Company Shares on behalf of one or more other persons who are resident in Australia (each a **Participating Beneficiary**) at 23 April 2018 who have subsequently instructed you to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other the Company Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and

- where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- is exempt under:
  - (i) paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (the **Regulations**); or
  - (ii) paragraph 7.6.01(1)(na) of the Regulations; or
  - (iii) ASIC Class Order CO 14/1000 or ASIC Class Order CO 14/1001; or
  - (iv) ASIC Class Orders CO 03/1099, CO 03/1100, CO 03/1101, CO 03/1102, CO 04/829 or CO 04/1313; or
  - (v) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (xx); or
  - (vi) paragraph 911A(2)(h) of the Act;

from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service; or

- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes; or
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold the Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact Advanced Share Registry Ltd at any time from 8.30am to 5.00pm (WST time) Monday to Friday during the Offer period.

The Company reserves the right to reject any application for the Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

### **Price of Shares**

The price of the Shares to be issued under the Plan will be at a discount of 12% of the average market price for the shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced.

The Options to be issued in connection with the Plan will be issued for nil cash consideration as attaching Options to the Shares issued to Eligible Shareholders.

### **Applications and Notices**

At the discretion of the Directors, the Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for the Shares under the Plan, and accompanied by

these Terms and Conditions of the Plan and an Application Form. Applications will not be accepted after the closing date of the offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

### **Placement of Shortfall**

Any shortfall from the Offer will be issued to the Underwriter.

### **Issue of the Shares**

Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of the Company in the relevant offer.

Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all the Company Shares issued under the Plan. the Company will, promptly after the issue of the Company Shares under the Plan, make application for those the Company Shares to be listed for quotation on the official list of ASX.

### **Modification and Termination of the Plan**

The Company may modify or terminate the Plan at any time. the Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Company Shares than the person applied for under the Plan if the issue of the Company Shares applied for would contravene any applicable law or the Listing Rules of ASX.

### **Raising Amount and Scale back**

The Company seeks to raise approximately \$750,000.

Although the Offer is made on a 'first in, first accepted' basis, in the event of an oversubscription by the closing date the Directors may, in their absolute discretion, scale-back any applications. If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

When determining the amount by which to scale back an application, the Company may take into account a number of factors, including the size of an applicant's shareholding, the extent to which eligible shareholders have sold or bought additional shares after the Record Date and the date an application was made. Eligible shareholders are therefore encouraged to submit their applications early.

### **Dispute Resolution**

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

### **Questions and Contact Details**

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Graham Baldisseri, Company Secretary on +61 8 9481 7833.