

ASX ANNOUNCEMENT

2 August 2019

ASX code: **SBR**

Gold Project Acquisition and Oversubscribed Placement

Sabre Resources Limited (**Company** and **Sabre**) is pleased to announce it has entered into a binding Share Sale Agreement with Power Metals Pty Ltd (**Power Metals**) to acquire a 100% interest in Power Metals, which holds the Bonanza Gold Project (ELA 57/1125), located adjacent to the discovery at Penny West Gold Project owned by Spectrum Metals Limited (ASX: SPX), located in the Youanmi Gold Mining District, in Western Australia.

The Youanmi Gold Mining District has gained rapid investor attention with several companies including Rox Resources Limited (ASX: RXL) and Venus Metals Corporation Limited (ASX: VMC) reporting significant exploration success on its gold projects located in the same area.

In addition, the Company is pleased to announce that it has finalised binding terms of a placement.

Highlights:

Proposed Acquisition of Power Metals

- Sabre has entered into a binding Share Sale Agreement to acquire Power Metals Pty Ltd, the holder of a 100% interest in the Bonanza Gold Project and the Lyon River Project, each located in Western Australia. The acquisition of Power Metals is subject to due diligence and shareholder approval.
 - **The Bonanza Gold Project** covers an area of 18km² and is located adjacent to the Penny West Gold Project, owned by Spectrum Metals Limited (ASX: SPX), located in the Youanmi Gold Mining District, in Western Australia.
 - **The Lyon River Project** lies east of Hastings Technology Metals (ASX: HAS) Yangibana Neodymium-Praseodymium deposit of 17Mt at 1.27% TREO, and has not been systematically explored for rare earth mineralisation.

Bonanza Gold Project

The Bonanza Gold Project covers an area of 18km² and is located adjacent to the Penny West Gold Project, owned by Spectrum Metals Limited (ASX: SPX), located in the Youanmi Gold Mining District, in Western Australia.

The Youanmi Gold Mining District has gained rapid investor attention with several companies including Rox Resources Limited (ASX: RXL) and Venus Metals Corporation Limited (ASX: VMC) reporting significant exploration success on its gold projects located in the same area.

A map showing the project location relative to the Spectrum Metals Limited (ASX: SPX) Penny West Gold Project is presented below:

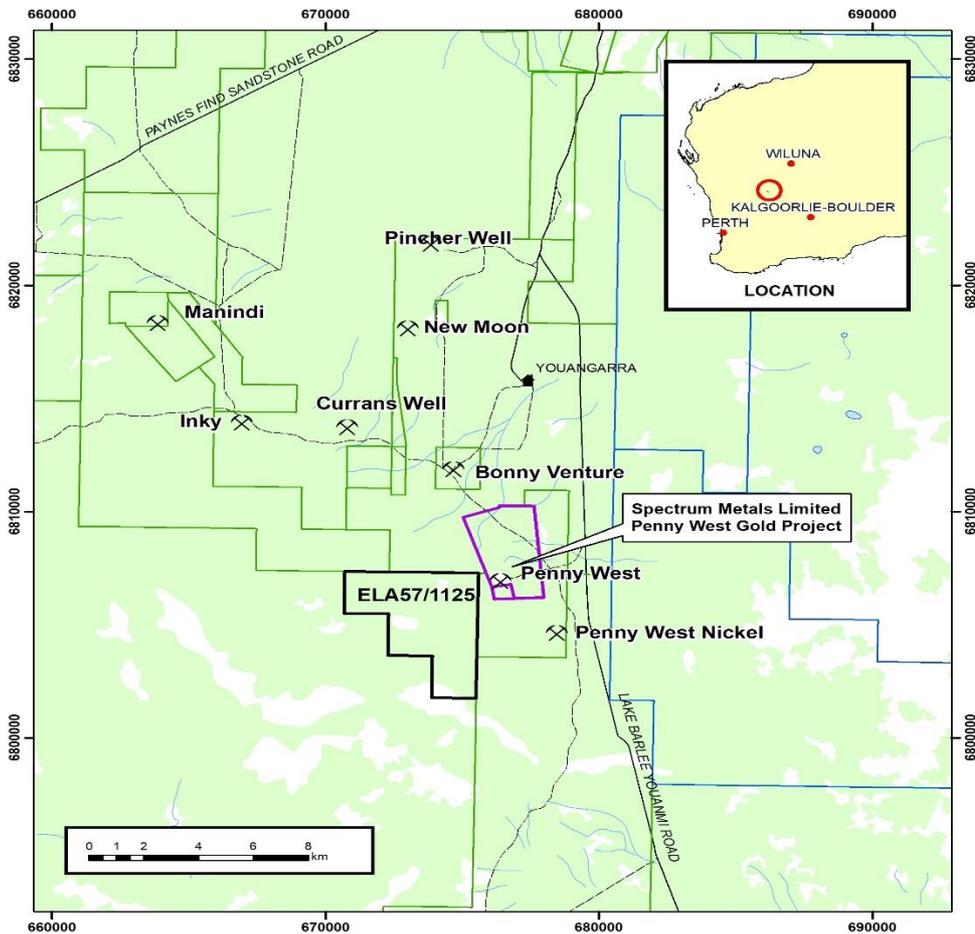


Figure 1: Location plan showing Bonanza Gold Project (ELA 57/1125) relative to Spectrum Metals Ltd’s Penny West Project

The Lyon River Project

The Lyon River Project (E09/2244) covers an area of 31.5km² in the Edmund Basin and is located 120km southeast of Paraburdoo in the Gascoyne Region of Western Australia. The tenement covers the Pingandy Bore and Coodardo Well manganese prospects which are 35km northwest and along strike from Pure Minerals Limited (ASX:PM1) Battery Hub manganese project.

Drilling completed by Pure Minerals Limited (ASX: PM1) at its Battery Hub manganese project in early 2018 focussed on the Pools, Julia, Steven Ridge and Isle prospects. High grade manganese mineralisation exceeding 30% Mn was identified at all prospects, confirming previous mapping that identified manganese mineralisation extends over a large area*.

The project lies east of Hastings Technology Metals Ltd (ASX: HAS) Yangibana Neodymium-Praseodymium deposit of 17Mt at 1.27% TREO, and has not been systematically explored for rare earth mineralisation.

**Refer to ASX announcement dated 11 January 2018 and titled “Positive drill results from Julia prospect at Battery Hub” as well as ASX announcement dated 9 February 2018 and titled “Initial Drilling Results Steven Ridge Isles” and lodged on the ASX platform under the ASX code PM1 for further details.*

Highly Prospective and Advanced Exploration Assets - Namibia

- Sabre owns a highly prospective portfolio of advanced exploration assets, as well as a lead/zinc resource, located in the Otavi Mountain Land (OML) of Namibia.
- The copper potential of the OML tenement package is currently being reviewed and evaluated with previous drilling having intersected multiple zones of high-grade copper.
- The Company is looking to work towards a further drilling program at its Namibian vanadium-lead-zinc project to advance the resource deposit.
- Assets include:
 - **High-Grade Vanadium Mineralisation:** High grade near-surface vanadium mineralisation historically mined at the Baltika V-Zn-Pb Prospect and the Kaskara V-Cu Deposit.
 - Channel sampling of mineralisation at the base of the Harasib III pit returned high-grade lead- vanadium mineralisation including: 21m @ 4.79% lead and 2% V₂O₅ and 4m @ 8.71% lead, 3.69% V₂O₅.
 - **Lead-Zinc Resource at the Border Deposit**:** JORC Inferred resource of 16.0 Mt @ 1.53% Zn, 0.59% Pb and 4.76g/t Ag defined at Border Deposit and recent work has shown significant Zn-Pb geochemical anomalies along strike at the Toggenburg Prospect with up to 2.90% Zn+Pb over 2.8 km strike length defined to date. Mineralisation has exceptional metallurgical characteristics and is amenable to beneficiation using heavy media separation methods.
 - **High-Grade Copper Mineralisation at Guchab***:** Extensive copper mineralisation intersected in drilling at the Guchab South Cu-Ag Prospect, where mineralisation occurs over an area at surface measuring over 850 metres by around 100 metres. Sabre has previously reported high grade copper mineralisation at Guchab including 22.2m at 3.45% Cu in hole GCD005.

***Refer to ASX announcement dated 16 October 2014 and titled "Border Zinc Deposit Resource Update". The Company is not aware of any new information or data that materially effects the information included in this announcement.*

****Refer to ASX announcement dated 10 September 2012 and titled "High Grade Copper from Surface at Guchab". The Company is not aware of any new information or data that materially effects the information included in this announcement.*

Geological modelling indicates that the mineralisation is open down plunge and drilling will be designed to test for extensions.

Commenting on the recent activities of the Company, the Board of Sabre Resources stated:

"We consider the proposed acquisition of Power Metals and the Bonanza Gold Project as an excellent opportunity for Sabre to commence exploration in areas which are host to several exciting high-grade gold discoveries, including the recently discovered northern extension of the Penny West Gold Project, owned by Spectrum Metals Limited (ASX: SPX). This region has gained rapid investor attention with several companies reporting significant exploration success on their gold projects located in the same area. Through this proposed acquisition, Sabre is now able to have exposure to this rapidly expanding gold district.

The finalisation of binding terms for the recent placement demonstrates the support and attractiveness of the portfolio of projects that Sabre controls and will be acquiring. The Company is now well funded to advance its exploration activities at its highly prospective and advanced portfolio of assets in Namibia as well as conduct early stage exploration at the Power Metals projects, following completion.

Our highly prospective Namibian projects include the Border Lead-Zinc deposit and the high-grade copper mineralisation at the Guchab project. Our Namibian assets are also prospective for high-grade vanadium mineralisation at Baltika and Kaskara.

We are excited about the future of Sabre and look forward to providing further updates to Shareholders."

Summary of Acquisition Terms of Power Metals

The key terms of the acquisition are as follows:

- The Company will issue the Vendors with 8,000,000 fully paid ordinary shares, subject to shareholder approval; and
- The Company will issue the Vendors with 50,000,000 options, with each option having an exercise price of \$0.008 and an expiry date of 30 September 2022, subject to shareholder approval.

The acquisition remains subject to legal, commercial and technical due diligence and grant of all tenements. Completion of the acquisition and the issue of the Vendors' shares and options remains subject to shareholder approval.

Placement

The Company has finalised binding terms for a share placement to professional and sophisticated investors to raise capital for exploration, project development, working and other capital requirements.

The Placement will be completed in two tranches as follows:

- **Tranche 1:** Issue of 68,410,068 shares at \$0.003 per share to raise \$205,230 (before costs). Participants in Tranche 1 will receive one (1) free attaching option for each share subscribed under the Placement exercisable at \$0.008 per share at any time up to 30 September 2022. The Tranche 1 shares will be issued using the Company's existing capacity pursuant to ASX Listing Rule 7.1 (27,712,707) and 7.1A (40,697,361), and the Company has raised gross proceeds of \$205,230. The Tranche 1 options will be issued subject to receiving shareholder approval.
- **Tranche 2:** Issue of 233,333,333 shares at \$0.003 per share to raise \$700,000 (before costs). Participants in Tranche 2 will receive one (1) free attaching option for each share subscribed under the Placement exercisable at \$0.008 per share at any time up to 30 September 2022. Both the Tranche 2 Shares and Tranche 2 options will be issued subject to receipt of funds and following shareholder approval.

The Placement will be made without a prospectus or other disclosure document to applicants meeting the exemption criteria of s.708 of the Corporations Act 2001.

The Company will apply to the ASX for quotation of the shares and subject to, and conditional on, complying with all ASX Listing Rule requirements, will seek ASX quotation for the attaching options as one class of security.

Sabre envisages holding a General Meeting in the middle of September 2019 to seek shareholder approval for the consideration payable for the acquisition of Power Metals and for the issue of the Tranche 1 options and Tranche 2 shares and options.

ENDS

For further information contact:

Martin Stein
Company Secretary
P: +61 8 9481 7833

Caution Regarding Forward-Looking Information

This document contains forward-looking statements concerning Sabre Resources. 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 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 Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Martin Bennett, a consultant to Metals Australia Ltd, and a member of Australian Institute of Geoscientists. Mr. Bennett 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 "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr. Bennett 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.