

**SABRE RESOURCES LTD
AND CONTROLLED ENTITIES**

(ACN 003 043 570)

**Interim Financial Report
for the Half Year Ended
31 December 2019**

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

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SABRE RESOURCES LTD AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your Directors present their report on the consolidated group of Sabre Resources Ltd ("Sabre") and its controlled entities (the "Group") for the half year ended 31 December 2019.

1. DIRECTORS

The names of Directors in office during the half year and up to the date of this report:

Michael Scivolo
Robert Collins
Basil Conti

2. REVIEW OF OPERATIONS

Sabre Resources Ltd ('Company') holds advanced exploration projects in Namibia and Western Australia. In Namibia, the Company has base metal and vanadium projects in the Otavi Mountain Land ('OML') in northern Namibia close to the Tsumeb and Kombat Mines. In Western Australia, the Company has a 70% interest in the Sherlock Bay Nickel Project in the western Pilbara region that contains the Sherlock Bay Nickel Deposit. On 29 January 2020, the Company announced that it had finalised the acquisition of the highly prospective Bonanza Gold Project at Youanmi, Western Australia.

2.1 Bonanza and Beacon Gold Projects

The Company acquired a 100% interest in Power Metals Pty Ltd, the holder of the Bonanza Gold Project (Figure 1). The project covers an area of 18km² located adjacent to the recent discovery at Penny West Gold Project, owned by Spectrum Metals Limited (ASX: SPX), located in the Youanmi Gold Mining District, in Western Australia.

Further to this, the Company announced on 15 August 2019 that it had entered into a Binding Share Sale Agreement to acquire Scarce Minerals Ptd Ltd, the holder of a 100% interest in the Beacon Gold Project (ELA57/1136), in Western Australia. The acquisition of Scarce Minerals Ptd Ltd is still pending as it is subject to final due diligence.

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.

DIRECTORS' REPORT (continued)

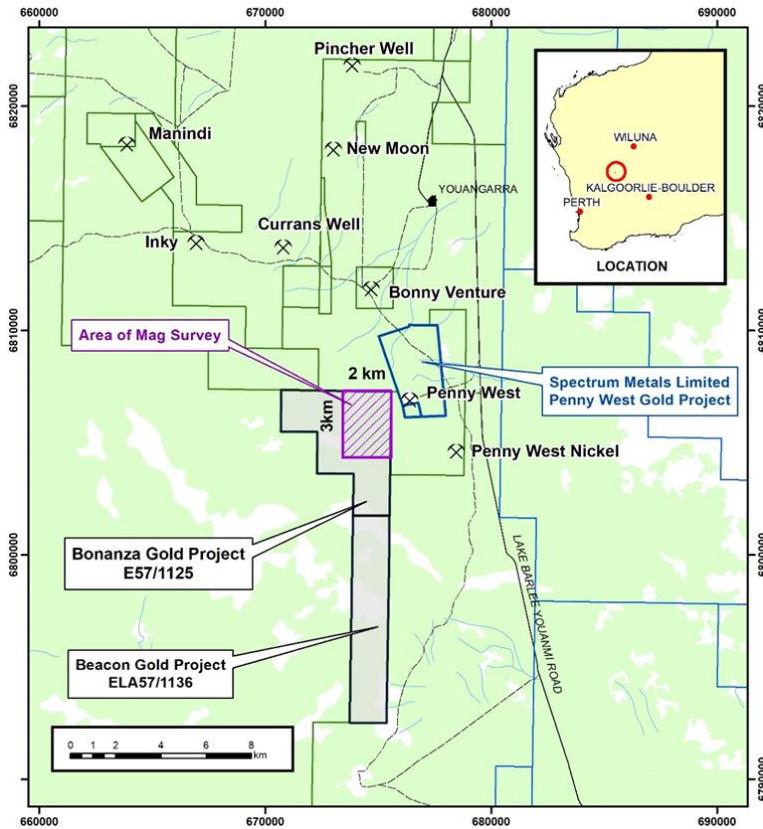


Figure 1: Bonanza and Beacon Gold Projects location plan showing area of proposed aeromagnetic survey

As part of the acquisition of Power Metals Pty Ltd, the Company also acquired a highly prospective manganese project and a prospective vanadium project, both located in Western Australia.

The Beacon Gold Project covers an area of 15km² and adjoins the southern boundary of Sabre's recently acquired tenement E57/1125 and increases Sabre's footprint to 33km² in this highly prospective gold district. ELA 57/1136 is the only remaining project in the immediate vicinity of Penny West not already controlled by an ASX listed company.

Sabre engaged a geophysical contractor to undertake a detailed aeromagnetic survey on Exploration Licence Application E57/1125. The magnetic survey was designed to cover an area of 2km by 3km in the northeast corner of E57/1125 with a line spacing of 20m for a total of 300 line kilometres (Figure 1). Once the data has been acquired it will be processed, imaged and interpreted with the aim of locating structures and lithological units that may host gold within the greenstone-granite sequence. The Penny West North gold discovery is located on the north-south trending Youanmi Shear Zone. Fault splays extend off the Youanmi Shear to the northwest along the greenstone boundary.

2.2 Otavi Mountain Land copper and base metal project, Namibia

The Project is located in the OML metallogenic province, historically a globally important source of copper, zinc, lead, and vanadium (Figure 2). The OML has a long mining history dating back to the late 1800s, and consequently has excellent infrastructure, including roads, power, water, rail to port and the Tsumeb base metal smelter complex, one of only five operating copper smelters in Africa.

DIRECTORS' REPORT (continued)

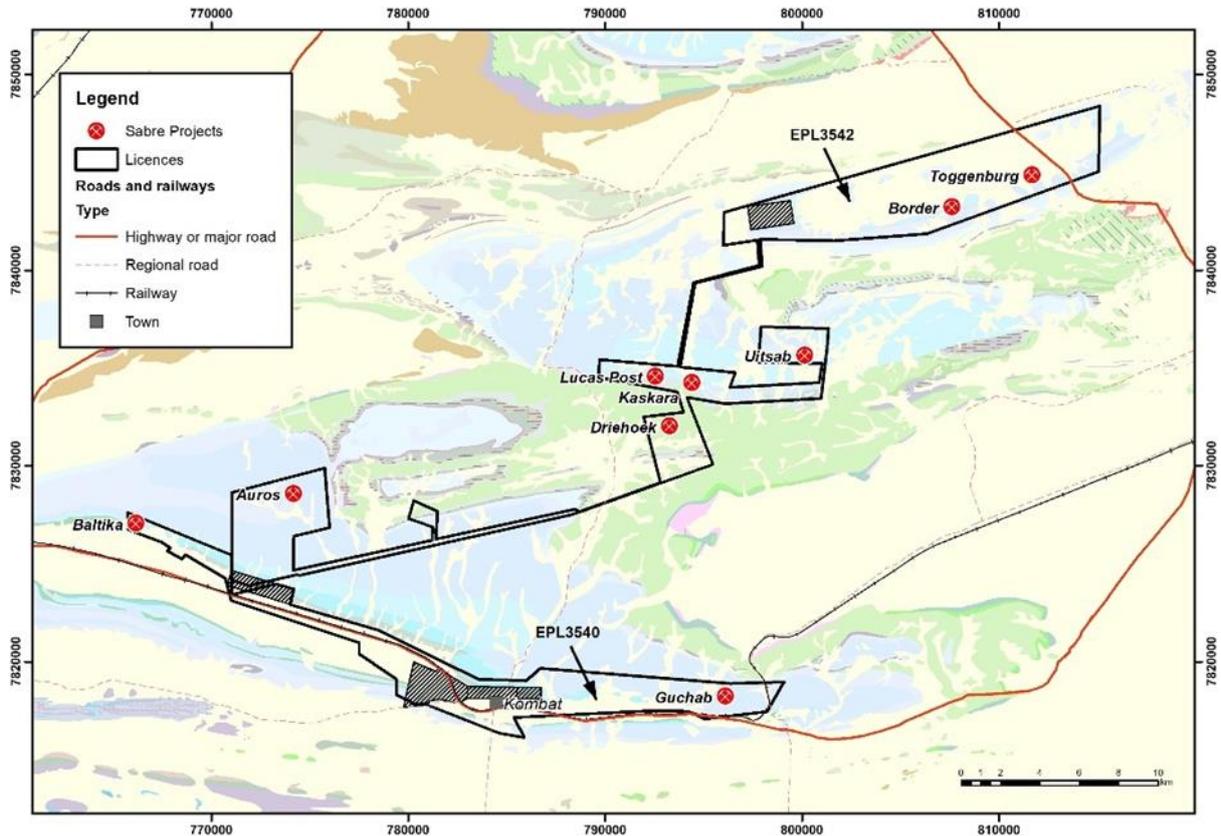


Figure 2: Location map of the Sabre Resources Limited Exclusive Prospecting Licences (EPL's) in the Otavi Mountain Land, northern Namibia

Prospect Assessment and Prioritisation

During the period, the main basemetal and vanadium prospects on SBR's licences in Namibia were visited to assist with an assessment of the prospectivity and potential for project development.

Priority exploration targets are the Guchab (Cu), Kaskara – Lucas Post (Cu, V), Border-Toggenburg (Pb-Zn) and Driehoek (Pb-Zn) prospects. All four prospects are at an advanced exploration stage following extensive previous exploration and drilling by the Company that resulted in resource estimates at Border and Driehoek. The Company is also progressing exploration at Baltika (V), Uitsab (V) and Auros (Pb-Zn).

Uitsab

At Uitsab, 40 surface samples were taken from waste dumps and tailings around the historic open pit that has a historic production of 60,000t at 1.4% vanadium pentoxide (V_2O_5) between 1920-1940 (Figure 3). Areas of tailings were sampled with a powered auger on a grid spacing of 25m x 25m with holes drilled to depths ranging from 0.3m to 1m. The 20 samples of tails taken had maximum assay values of 0.77 V_2O_5 , 0.2% Cu, 2.1% Pb and 0.7% Zn¹. The waste dump/stockpiles were sampled on a 25m x 25m grid with rock chip samples taken at a depth of 0.25m. The 20 samples taken had maximum assay values of 0.5% V_2O_5 , 0.1% Cu, 1.3% Pb and 0.5% Zn. The vanadium and basemetal grades of the surface material at Uitsab are comparable to the grades reported by Golden Deeps Limited (ASX:GED) at the Abenab Mine where processing of stockpiles and tails is planned.

¹ SBR ASX announcement dated 22 January 2020

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Regional soil sampling located a >1000ppm lead soil anomaly 1.2km along strike to the west of Utisab. The anomaly strikes east-west and extends over 1km. Prospecting at the eastern end of the anomaly located a historic working in brecciated dolomite with coarse galena. Additional prospecting and sampling is planned.

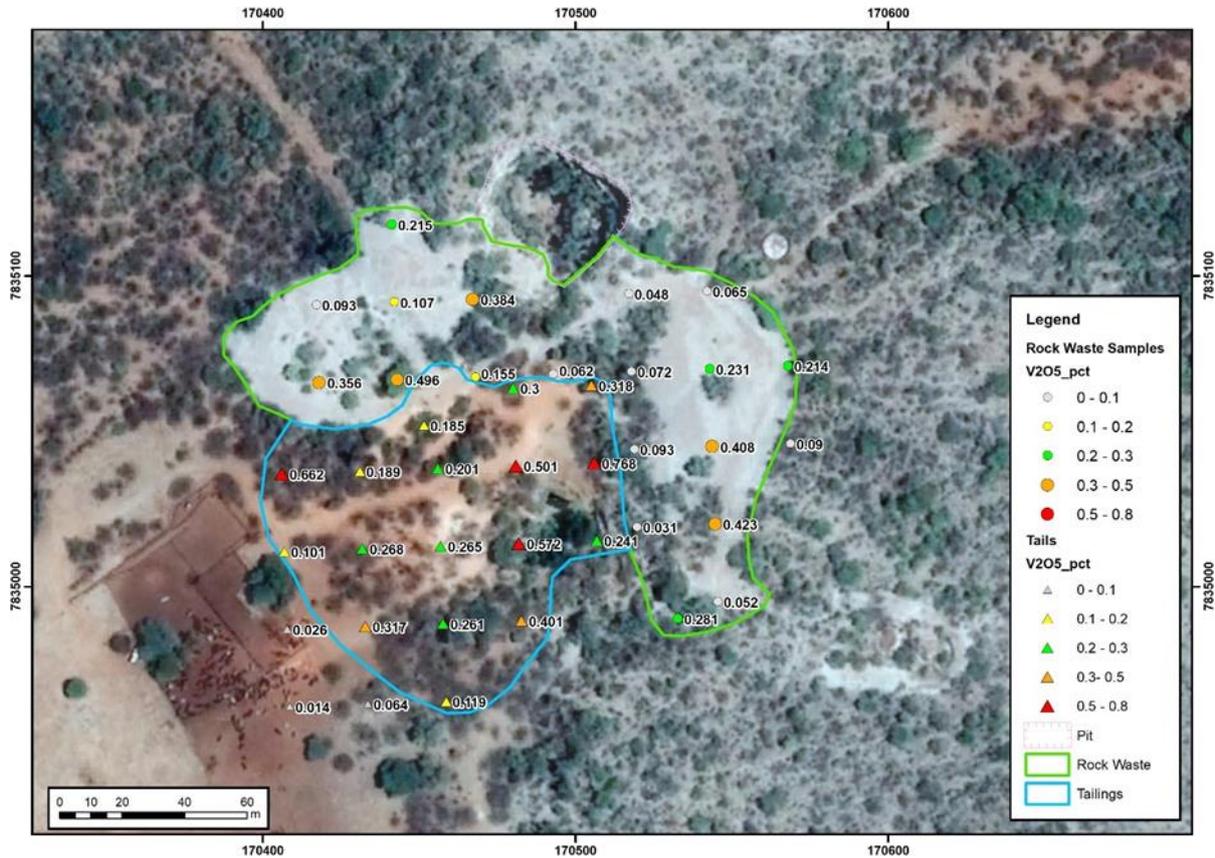


Figure 3: Utisab prospect location plan showing sample points

Tenement Management

EPL 3540 and EPL 3542 were renewed in 2013 for the period 30 October 2013 to 29 October 2015. Renewal applications were lodged in September 2015 but weren't granted until 14th March 2017 for the period 30th October 2016 to 29th October 2018. Prior to expiry, renewal applications were lodged and these were granted on 8 May 2019 for a period of two years.

2.3 Sherlock Bay Project, Western Australia

The Sherlock Bay Project is well-located, 12 km off Highway 1, with access to critical mining infrastructure (Figure 4). The project comprises a granted Mining Lease (M47/567) and two Exploration Licences (E47/1770 and E47/1769). Following a review of prospectivity for nickel and conglomerate gold, exploration licences E47/1770 and E47/1769 were not renewed.

DIRECTORS' REPORT (continued)

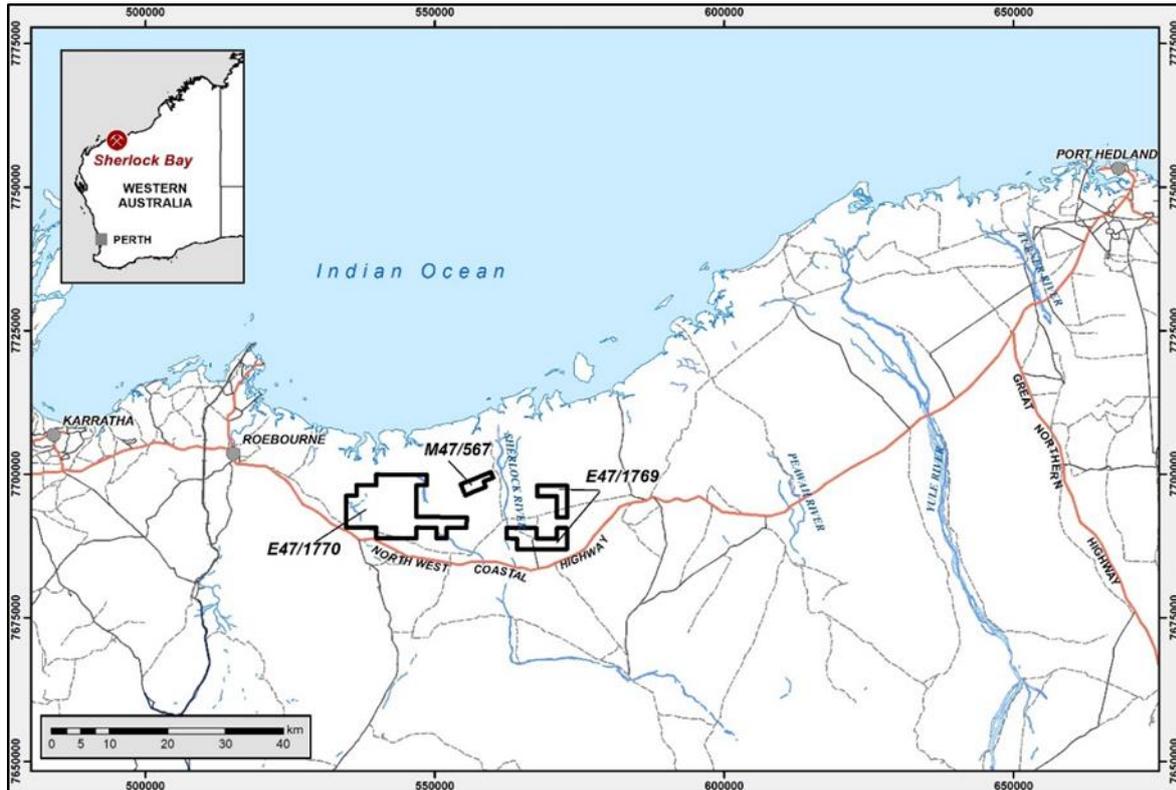


Figure 4: Location map of the Sherlock Bay Project in Western Australia

Sherlock Bay Nickel Deposit

Mining lease M47/567 (Figure 5) contains the Sherlock Bay nickel-copper-cobalt deposit, which has an existing nickel resource (for full details, refer to the Company's announcement dated 29 January 2018). The deposit also contains a potentially significant amount of copper and cobalt.

Extensive previous exploration and development work has been completed on the Sherlock Bay Project and Sabre has obtained access to all these data for the deposit. Feasibility-level studies that have been completed by previous owners indicate that potential exists to develop a mining and heap leach processing operation and that nickel recoveries exceeding 90% are achievable.

DIRECTORS' REPORT (continued)

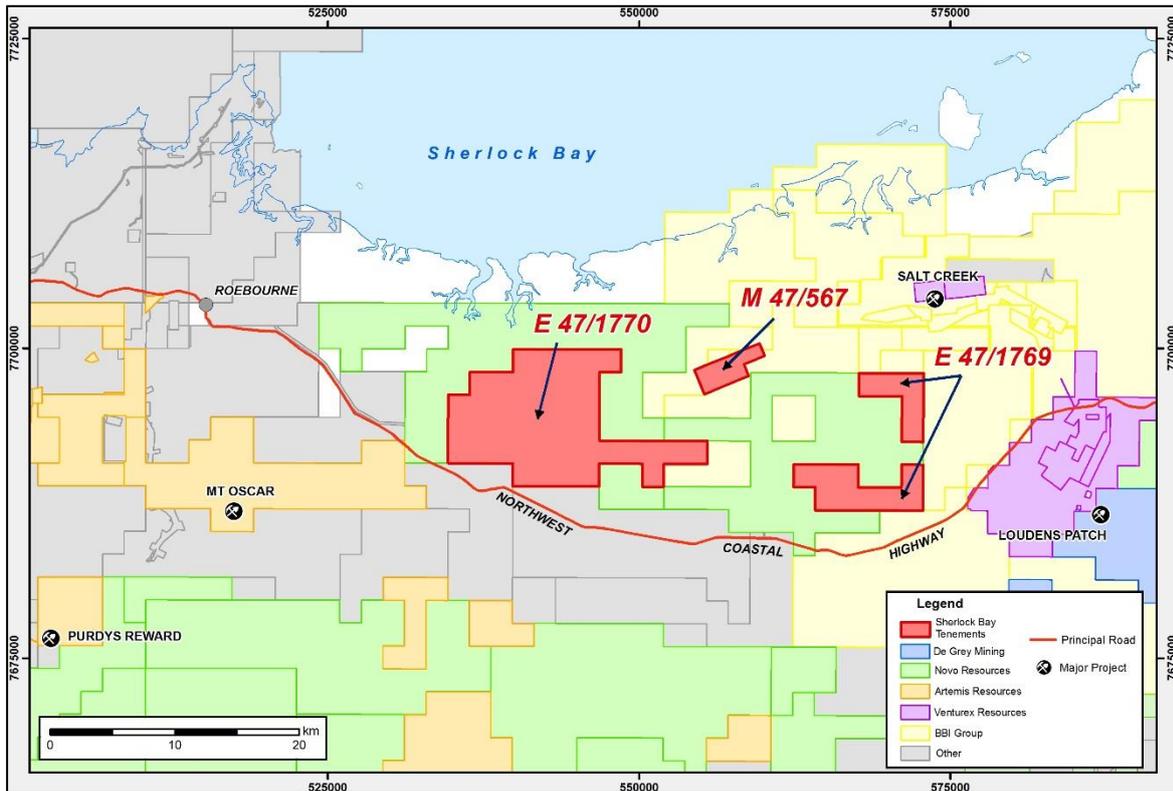


Figure 5: Current tenement status map for the Sherlock Bay Project and surrounding area, source: WA Department of Mines, Industry Regulation and Safety

Mineral Processing Review

Following acquisition of the Sherlock Bay Project in January 2018, Sabre conducted several studies to investigate development options including a mining study update by AMC Consultants Pty Ltd. Mineralogical consultancy group Vintage94 Pty Ltd was engaged to review previous studies on metallurgical and mineral processing and to recommend alternative processing flowsheet options and ascertain the effect on CAPEX and OPEX costs.

Vintage94 Pty Ltd has recommended producing nickel sulphide as the end product rather than the more common nickel sulphate product because it results in lower cost processing and is more marketable than nickel sulphate. Based on this revised mineral processing flowsheet, Vintage94 Pty Ltd generated a life of mine financial model incorporating the updated mining cost estimates from AMC and nickel price forecasts. The financial model allows input costs and assumptions to be modified highlighting sensitivities and critical factors that will impact project development.

The Vintage94 Pty Ltd study is part of a continuing review and update of the substantial feasibility study work that has previously been completed on the development of the Sherlock Bay deposit. The extensive information already available and the mining and processing studies that have been carried out will allow the Company to rapidly advance the evaluation of the project to feasibility stage.

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Work Planned 2020 – 2021

Bonanza and Beacon Gold Projects

Unfavourable weather conditions associated with ex-Tropical Cyclone Damien delayed the start of the aeromagnetic survey. The survey is now scheduled for February 2020. Once completed, the data will be processed, imaged and interpreted to locate structures that may host gold mineralisation. Targets generated will be tested by aircore drill traverses.

Otavi Mountain Land, Namibia

Sabre plans to continue exploration for basemetals and vanadium on EPL3540 and EPL3542.

Auros

Additional geochemical sampling is planned at the Auros prospect on EPL3540 located at the southeastern end of EPL3542. Previous soil sampling identified a broad area of anomalous lead and zinc in carbonate rocks of the Maiberg Formation with associated alteration. Within this broad area of anomalism there are elongate, bedding parallel anomalous trends of up to 1km defined by the >0.5% lead and >0.5% zinc contour. Channel samples will be cut and sampled along the most anomalous soil traverses.

Baltika

Tails and stockpiles at the historic Baltika Mine will be sampled for vanadium. Baltika produced small tonnages of high grade vanadium concentrate between 1931-1942. Tailings dumps will be sampled on a 25m x 25m grid with a powered auger. Stockpiles will initially be sampled by taking samples from shallow pits.

Appendix I – Sabre tenement schedule

Country	State/Region	Project	Tenement ID	Area (km ²)	Date Granted	Date Expires	Interest
Namibia	Otjozondjupa	Otavi Mountain Land	EPL3540	56.19	30/10/2006	07/05/2021	80%
			EPL3542	116.29	30/10/2006	08/05/2021	70%
Australia	WA	Bonanza	E57/1125	18.0	10/01/2020	09/01/2025	100%
		Sherlock Bay	M47/567	10.0	07/09/2004	22/09/2025	100%
		Speewah	E80/5221	49.21	18/07/2024	22/09/2025	100%
		Lyon River	E09/2244	31.33	25/02/2019	24/02/2024	100%

Competent Person Declaration

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, who is a member of The Australasian Institute Geoscientists. Mr Bennett is a consultant to Sabre Resources Limited and 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.

Forward-Looking Statements

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

3. FINANCIAL RESULT

The Group incurred a loss after income tax of \$512,088 for the half year period (2018: loss of \$14,032,435). As at 31 December 2019 the Group had cash funds of \$670,489 (30 June 2019: \$351,111).

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

4. EVENTS SUBSEQUENT TO REPORTING DATE

On 28 January 2020, the Company completed the acquisition of Power Metals Pty Ltd ("Power Metals"), the holder of a 100% interest in the Bonanza Gold Project EL57/1125. 100% of the issued shares in Power Metals were acquired for consideration given by Sabre Resources Ltd of 8,000,000 fully paid ordinary shares and 50,000,000 options with exercise prices of \$0.008 and expiring 30 September 2022.

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group.

5. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of the Board of Directors.



Michael Scivolo
Director

Perth, dated this 26th day of February 2020

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Sabre Resources Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.



Crowe Perth



Sean McGurk
Partner

Signed at Perth, 26 February 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Perth, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

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SABRE RESOURCES LTD AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Notes	Consolidated Half year 2019 \$	Consolidated Half year 2018 \$
Other Revenue			
Interest earned		687	5,910
Cost recovery		2,028	34,553
		<u>2,715</u>	<u>40,463</u>
Expenditure			
Depreciation		(514)	(5,635)
Directors' fees and services		(18,420)	(18,000)
Professional fees		(86,703)	(87,473)
ASX listing fees		(20,117)	(21,886)
Provision for value added tax		-	(42,802)
Exploration and evaluation expenditure written off	5	(268,800)	(13,743,371)
Employee benefits		(20,806)	-
Office facility fees for services under a Management Agreement		(95,795)	(94,000)
Other operating costs		(3,648)	(59,731)
		<u>(514,803)</u>	<u>(14,072,898)</u>
Loss before income tax		(512,088)	(14,032,435)
Income tax benefit		-	-
		<u>-</u>	<u>-</u>
Loss for the half year		(512,088)	(14,032,435)
Other Comprehensive Income, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign controlled entities		56,907	(109,165)
		<u>56,907</u>	<u>(109,165)</u>
Total Comprehensive Loss for the half year		(455,181)	(14,141,600)
Loss for the period attributable to:			
Owners of the parent		(434,552)	(13,177,013)
Non-controlling interest		(77,536)	(855,422)
		<u>(512,088)</u>	<u>(14,032,435)</u>
Total Loss for the half year, net after tax		(512,088)	(14,032,435)
Total comprehensive loss for the period attributable to:			
Owners of the parent		(391,697)	(13,258,886)
Non-controlling interest		(63,484)	(882,714)
		<u>(455,181)</u>	<u>(14,141,600)</u>
Total comprehensive income/(loss) for the half year		(455,181)	(14,141,600)
Basic and diluted loss per share (cents)		(0.13)	(3.59)

The accompanying notes form part of these financial statements.

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	Consolidated 31 December 2019 \$	30 June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents		670,489	351,111
Trade and other receivables		92,095	68,955
TOTAL CURRENT ASSETS		762,584	420,066
NON-CURRENT ASSETS			
Plant and equipment		14,259	14,696
Exploration and evaluation expenditure	5	12,918,341	13,023,225
TOTAL NON-CURRENT ASSETS		12,932,600	13,037,921
TOTAL ASSETS		13,695,184	13,457,987
CURRENT LIABILITIES			
Trade and other payables		45,117	80,302
Provisions		29,867	30,986
TOTAL CURRENT LIABILITIES		74,984	111,288
NON-CURRENT LIABILITIES			
Trade and other payables		-	508,647
Loans and borrowings		358,647	444,791
TOTAL NON-CURRENT LIABILITIES		358,647	953,438
TOTAL LIABILITIES		433,631	1,064,726
NET ASSETS		13,261,553	12,393,261
EQUITY			
Issued capital	6	55,821,219	54,497,746
Foreign currency translation reserve		(1,584,054)	(1,626,909)
Option reserve	7	47,129	53,073
Accumulated losses		(39,165,176)	(38,736,568)
Parent interests		15,119,118	14,187,342
Non-controlling interest		(1,857,565)	(1,794,081)
TOTAL EQUITY		13,261,553	12,393,261

The accompanying notes form part of these financial statements.

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Ordinary Issued Capital	Foreign Currency Translation Reserve	Share Options Reserve	Accumulated Losses	Total attributable to owners of parent	Non- controlling Interest	Total
	\$	\$	\$	\$			\$
BALANCE AT 1 JULY 2018– as previously stated	53,970,149	(2,360,605)	60,829	(25,361,421)	26,308,952	30	26,308,982
Prior period adjustment (Refer to Note 8)	-	590,151	-	306,934	897,085	(897,085)	-
BALANCE AT 1 JULY 2018 - restated	53,970,149	(1,770,454)	60,829	(25,054,487)	27,206,037	(897,055)	26,308,982
Loss attributable for the period	-	-	-	(13,177,013)	(13,177,013)	(855,422)	(14,032,435)
Total other comprehensive income/(loss) for the period	-	(81,873)	-	-	(81,873)	(27,292)	(109,165)
Issued of capital	564,500	-	-	-	564,500	-	564,500
Capital raising costs	(50,603)	-	-	-	(50,603)	-	(50,603)
Issue of options	-	-	5,944	-	5,944	-	5,944
Expiration of options	13,700	-	(13,700)	-	-	-	-
BALANCE AT 31 DECEMBER 2018	54,497,746	(1,852,327)	53,073	(38,231,500)	14,466,992	(1,779,769)	12,687,223
	\$	\$	\$	\$			\$
BALANCE AT 1 JULY 2019	54,497,746	(1,626,909)	53,073	(38,736,568)	14,187,342	(1,794,081)	12,393,261
Loss attributable for the period	-	-	-	(434,552)	(434,552)	(77,536)	(512,088)
Total other comprehensive income/(loss) for the period	-	42,855	-	-	42,855	14,052	56,907
Issue of capital	1,445,230	-	-	-	1,445,230	-	1,445,230
Capital raising costs	(121,757)	-	-	-	(121,757)	-	(121,757)
Expiration of options	-	-	(5,944)	5,944	-	-	-
BALANCE AT 31 DECEMBER 2019	55,821,219	(1,584,054)	47,129	(39,165,176)	15,119,118	(1,857,565)	13,261,553

The accompanying notes form part of these financial statements.

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Consolidated	
	Half year 2019	Half year 2018
	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(458,543)	(465,038)
Interest received	687	8,224
Other income	31,089	53,728
<i>Net cash used in operating activities</i>	(426,767)	(403,086)
Cash Flows from Investing Activities		
Payments for exploration and evaluation expenditure	(132,537)	(131,207)
<i>Net cash used in investing activities</i>	(132,537)	(131,207)
Cash Flows from Financing Activities		
Proceeds from issue of shares, net of capital raising costs	1,323,473	483,888
Repayment of loans	(444,791)	(320,000)
Proceeds from loans	-	20,000
<i>Net cash provided by financing activities</i>	878,682	183,888
Net increase/(decrease) in Cash and Cash Equivalents	319,378	(350,405)
Cash and Cash Equivalents at the Beginning of the Half Year	351,111	1,207,263
Cash and Cash Equivalents at the End of Half Year	670,489	856,858

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

1. BASIS OF PREPARATION OF HALF YEAR REPORT

Sabre Resources Ltd is a company domiciled in Australia.

This general-purpose financial report for the interim half year reporting period ended 31 December 2019 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Sabre Resources Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019 together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

The interim financial statements have been approved and authorised for issue by the Board of Directors.

New and amended standards adopted by the Group

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

- AASB 16: Leases

The impact of the adoption of this Standard and the respective accounting policies is disclosed below.

Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

i. Leases

The Group as lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

1. BASIS OF PREPARATION OF HALF YEAR REPORT (continued)

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Going concern

The financial report has been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the period, the Group has reported a net loss of \$512,088 (2018: \$14,032,435) and a net cash outflow from operating activities of \$426,767 (2018: \$403,086). It is further noted that \$444,791 was repaid to a shareholder during the period in relation to previous loans received by the Company.

The Directors will continue to monitor the capital requirements of the Group, and this includes additional capital raisings in future periods as required. The Group has the ability to vary discretionary exploration expenditure if required. In addition to planned capital raisings, a shareholder of the Company has agreed to provide cash advances to the Company to sustain operations for at least a period through to 31 March 2021.

At 31 December 2019, amounts accrued and payable under a Management Agreement total \$358,646.54. The supplier has agreed that repayments are not required for at least twelve months from the date of the issue of the reviewed financial statements for 31 December 2019.

Should the Group be unable to obtain the funding as described above, there is a material uncertainty as to whether the Group will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

2. DIVIDENDS

No dividends have been paid or proposed during the half year ended 31 December 2019.

3. CAPITAL AND LEASING COMMITMENTS AND CONTINGENCIES

There has been no material change in contingent liabilities and commitments since the end of the last annual reporting period.

4. OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal management reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and determining the allocation of resources. As the Group is focused on mineral exploration, the Board monitors the Group based on actual exploration expenditure incurred by area of interest. The internal reporting framework is the most relevant to assist the executive management team with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

The executive management team has aggregated the performance of all segments as they maintain similar economic characteristics including the development and exploration of the Group's mineral interests in Namibia as well as Western Australia.

Basis of Accounting for purposes of reporting by operating segments

Accounting Policies Adopted

All amounts reported to the Board of Directors with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Unallocated items

Corporate costs are not considered core operations of any segment.

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

5. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Opening balance	13,023,225	26,596,664
Expenditure for period including foreign exchange movements	163,916	424,872
Value of securities issued to acquire tenements	-	-
Expenditure written off	(268,800)	(13,998,311)
	12,918,341	13,023,225

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mineral areas.

Exploration and evaluation activities in the area of interests to which the Exploration and Evaluation Expenditure relates has not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

6. ISSUED CAPITAL

Date	Details	Number of Shares	Amount \$
30 June 2018	Balance	369,340,280	53,970,149
13 August 2018	Issue of shares at \$0.015 per share	2,500,000	37,500
19 September 2018	Issue of shares at \$0.015 per share	33,333,334	500,000
19 September 2018	Issue of shares at \$0.015 per share	1,799,992	27,000
	Transfer of expired options from Share Option Reserve	-	13,700
	Capital raising costs	-	(50,603)
31 December 2018	Balance	406,973,606	54,497,746
30 June 2019	Balance	406,973,606	54,497,746
2 August 2019	Issue of shares at \$0.003 per share	68,410,068	205,230
25 November 2019	Issue of shares at \$0.003 per share	233,333,333	700,000
25 November 2019	Issue of shares at \$0.004 per share	135,000,000	540,000
	Capital raising costs	-	(121,757)
31 December 2019	Balance	843,717,007	55,821,219

The Company's capital consists of Ordinary Shares. The Company does not have a limited amount of authorised share capital. The shares have no par value and are entitled to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of shares held.

At shareholders' meetings each fully paid ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

7. SHARE OPTION RESERVE

Date	Details	Number of Options	Amount \$
1 July 2018	Balance	282,500,000	60,829
1 August 2019	Expiration of \$0.025 options	(149,500,000)	(13,700)
20 September 2019	Issue of \$0.03 31 October 2019 options	118,168,044	5,944
12 October 2019	Issue of \$0.03 31 October 2019 options	33,333,334	-
31 December 2018	Balance	284,501,378	53,073
1 July 2019	Balance	276,501,378	53,073
31 October 2019	Expiration of \$0.03 31 October 2019 options	(151,501,378)	(5,944)
31 December 2019	Balance	125,000,000	47,129

8. PRIOR PERIOD ADJUSTMENT

The restatement of the 31 December 2018 financial statements is as a result of the non-controlling interest not being accounted for in the prior period. This has been rectified by restating each of the affected financial statement line items for prior period.

	Previous amount \$	Adjustment \$	Restated amount \$
30 June 2018			
Accumulated losses	(25,361,421)	306,934	(25,054,487)
Foreign currency translation reserve	(2,360,605)	590,151	(1,770,454)
Non-controlling interest	30	(897,085)	(897,055)

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

9. RELATED PARTY TRANSACTIONS

The Group's related parties include its subsidiaries, key management personnel and others as described below. None of the transactions incorporate special items and conditions and no guarantees were received or given.

Related Party	Relationship	Nature of Transaction	Half Year Ended 31 December 2019	Half Year Ended 31 December 2018
			\$	\$
Sabre Resources Namibia (Pty) Ltd	Subsidiary	Advances	-	9,149
Gazania Investments Nine (Pty) Ltd	Subsidiary	Advances	24,665	22,405
Golden Deeps Limited	Common directors	Cost Recovery	35,626	47,434
Oshivela Mining Pty Ltd	Common directors	Cost Recovery	915	7,845
Metals Australia Limited	Common directors	Cost Recovery	559	20,211
Huab Energy (Pty) Ltd	Common directors	Cost Recovery	5,777	78,908
Gazania Investments Nine (Pty) Ltd	Subsidiary	Cost Recovery	2,775	7,860
Golden Deeps Limited	Common directors	Trade Receivables	14,362	52,177
Metals Australia Limited	Common directors	Trade Receivables	3,924	5,492
Oshivela Mining Pty Ltd	Common directors	Trade Receivables	-	1,247
Huab Energy (Pty) Ltd	Common directors	Trade Receivables	-	10,403
Gazania Investments Nine (Pty) Ltd	Subsidiary	Trade Receivables	4,462	1,247

The Company expensed director fees of \$6,000 from Profit & Resource Management Pty Ltd, an entity of which Robert Collins is a director and shareholder. An amount of \$3,000 (excluding GST) remains payable as at 31 December 2019.

10. EVENTS SUBSEQUENT TO REPORTING DATE

On 28 January 2020, the Company completed the acquisition of Power Metals Pty Ltd ("Power Metals"), the holder of a 100% interest in the Bonanza Gold Project EL57/1125. 100% of the issued shares in Power Metals were acquired for consideration given by Sabre Resources Ltd of 8,000,000 fully paid ordinary shares and 50,000,000 options with exercise prices of \$0.008 and expiring 30 September 2022.

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group.

SABRE RESOURCES LTD AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the opinion of the Directors of Sabre Resources Ltd:

- (a) the consolidated financial statements and notes, as set out on the accompanying pages, are in accordance with the Corporations Act 2001 including:
 - (i) complying with Australian Accounting Standard, AASB 134: Interim Financial Reporting; and
 - (ii) giving a true and fair view of its financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Michael Scivolo
Director

Perth, dated this 26th day of February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SABRE RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sabre Resources Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of Sabre Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Sabre Resources Limited and its subsidiaries, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss after tax of \$512,088 and had net cash used in operating activities of \$426,767 for the half-year ended 31 December 2019, and as of that date. As stated in Note 1 these conditions, these events and conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sabre Resources Limited and its subsidiaries is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



Crowe Perth



Sean McGurk
Partner

Signed at Perth, 26 February 2020