



# **SABRE RESOURCES LTD**

ACN: 003 043 570

## **ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019**

# **SABRE RESOURCES LTD**

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# SABRE RESOURCES LTD

## COMPANY DIRECTORY

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### DIRECTORS

Michael Scivolo  
Robert Collins  
Basil Conti

### AUDITOR

Crowe Horwath Perth  
Level 5, 45 St Georges Terrace  
Perth WA 6000

### COMPANY SECRETARY

Martin Stein

### BANKERS

Westpac Bank  
108 Stirling Highway  
Nedlands WA 6009

### REGISTERED OFFICE

Level 1, 8 Parliament Place  
West Perth, WA, 6005

Telephone: (08) 9481 7833  
Facsimile: (08) 9481 7835  
Website: [www.sabresources.com](http://www.sabresources.com)

### SHARE REGISTRY

Advanced Share Registry Limited  
110 Stirling Highway  
Nedlands, WA, 6009  
Telephone: 1300 113 258  
Facsimile: (08) 9262 3723

### SOLICITORS

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth, WA, 6005

### SECURITIES EXCHANGE LISTING

The Company is listed on the Australian  
Securities Exchange and  
Frankfurt Stock Exchange

Home Exchange: Perth, Western Australia

ASX code for shares: SBR

# SABRE RESOURCES LTD

## DIRECTORS REPORT

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The Directors present their report on Sabre Resources Ltd ("the Company") and its controlled entities for the year ended 30 June 2019.

### DIRECTORS

The Directors of the Company during and since the end of the financial year were:

Michael Scivolo  
Robert Collins  
Basil Conti

Shares and options of Sabre Resources Ltd held by Directors at the date of this report:

Director	Shares	Options
Michael Scivolo	-	-
Robert Collins	-	-
Basil Conti	-	-

### PRINCIPAL ACTIVITIES

The principal activity of the Company and its controlled entities is mineral exploration.

### REVIEW OF OPERATIONS

Sabre Resources Ltd, (the Company), advanced the Sherlock Bay Nickel Project in the western Pilbara region of Western Australia during the reporting period. This project contains the Sherlock Bay Nickel-Copper-Cobalt Deposit. Exploration of the Otavi Mountain Land (OML) vanadium and base metal project continued in northern Namibia.

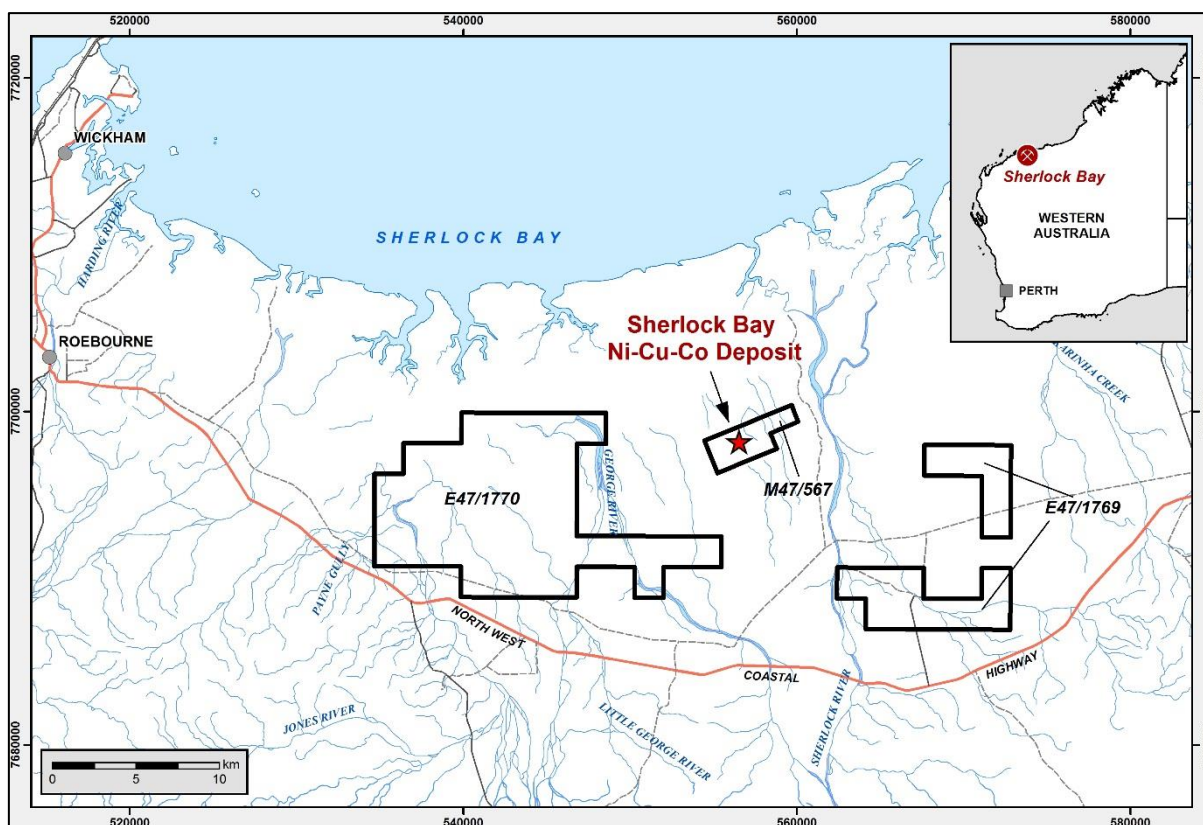
#### Sherlock Bay Project, Western Australia

Sabre Resources holds a 70% interest in the Sherlock Bay Project located in the western Pilbara region of Western Australia. The Project is well-located, 12 km off Highway 1 between Roebourne and Port Hedland, with access to critical mining infrastructure. The Project tenements comprise two exploration licenses for which a renewal application has been submitted (E47/1769 and E47/1770) and a mining lease (M47/567)(Figure 1)

# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REVIEW OF OPERATIONS (continued)



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

### Sherlock Bay Nickel-Copper-Cobalt Deposit

Mining lease M47/567 contains the Sherlock Bay nickel-copper-cobalt deposit. The deposit is hosted within the Archaean West Pilbara Granite-Greenstone Belt. It comprises two main lenticular lodes (termed Discovery and Symond's Well, Figure 2) hosted within a sub-vertical to steep north dipping chert horizon with a combined strike length of 1,600 m. Mineralised widths are variable but in the higher grade portions of the main zones can be up to 30 m and are continuous down dip in excess of 500 m in places.

The Sherlock Bay deposit was initially discovered and defined by Texas Gulf in the 1970's. Additional drilling was carried out by Sherlock Bay Nickel Corporation ("SBNC") between 2003 and 2007. The resource is now defined by a total of 201 drill holes for 31,092 m.

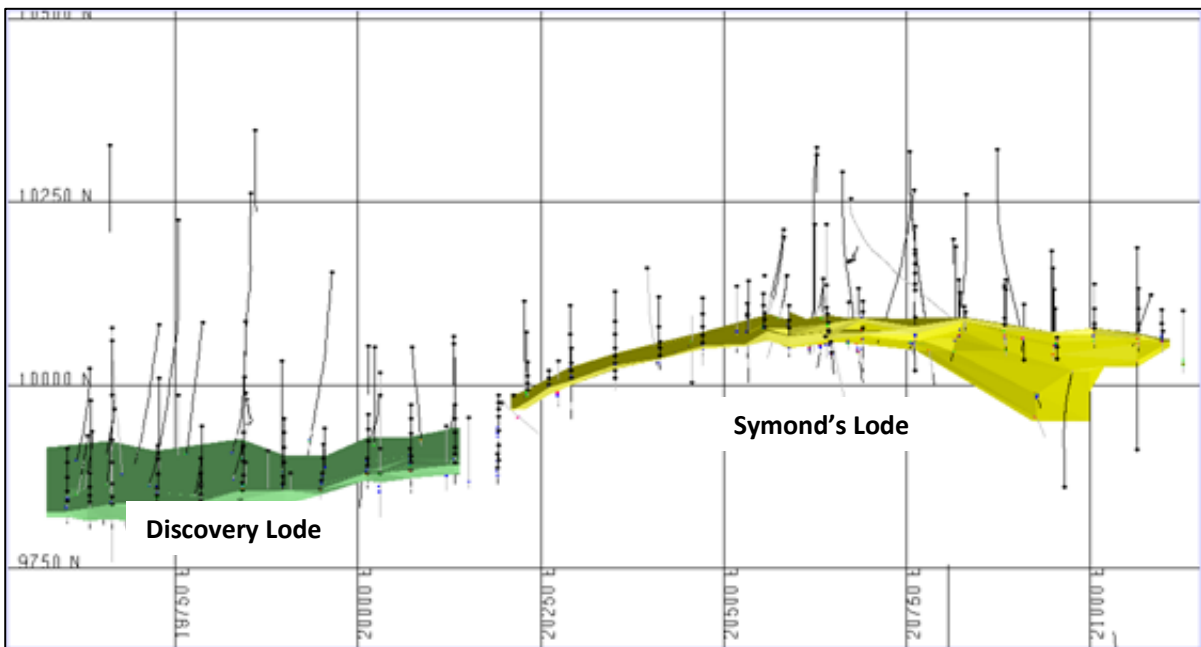
# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REVIEW OF OPERATIONS (continued)



**Photograph 1:** Sherlock Bay Discovery Deposit looking east



**Figure 2:** Plan view of the Discovery and Symond's Well Lode wireframes and drill hole traces

# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REVIEW OF OPERATIONS (continued)

#### Resource Estimate

An updated Mineral Resource estimate has been completed for the Sherlock Bay nickel-cobalt-copper deposit in compliance with the JORC Code 2012.

The updated total Mineral Resource (see Table 1) is 24.6 million tonnes grading 0.4% nickel, 0.09% copper and 0.02% cobalt. The deposit contains approximately 99,200 tonnes of nickel, 21,700 tonnes of copper and 5,400 tonnes of cobalt metal.

The Mineral Resources have been classified as Measured, Indicated and Inferred Mineral Resource in accordance with the JORC Code, 2012 Edition and are shown in Table 1.

**Table 1:** Sherlock Bay Ni Cu Co Deposit May 2018 Resource Estimate (0.15% Ni Cut-off)

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

(Note that rounding discrepancies may occur in summary tables)

#### Feasibility Studies

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.

# SABRE RESOURCES LTD

## DIRECTORS REPORT

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### REVIEW OF OPERATIONS (continued)

#### Mining Study Update 2018-9

In June 2018, Sabre commissioned AMC Consultants Pty Ltd (AMC) to undertake a review of the previous mining study for the Sherlock Bay deposit to update costs for the open pit mining and evaluate the underground mining. The results of the review were reported in August 2018 (refer to Sabre Resources ASX announcement 14th August 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 announcement). The results of the mining study were positive and 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.

The open pit cost update was based on the updated resource estimate, which is restated in compliance with the JORC Code 2012 (refer to Sabre Resources ASX announcement 12th 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 announcement). The deposit contains total Measured, Indicated and Inferred Resources of:

**24.6 Mt grading 0.4% nickel, 0.09% copper and 0.02% cobalt**

The underground cost update was 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 costs. The scoping studies referred to in the 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 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 3), pit stages and schedule.

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).

In the December quarter the Company engaged Mineralogical consultancy group Vintage94 Pty Ltd 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.



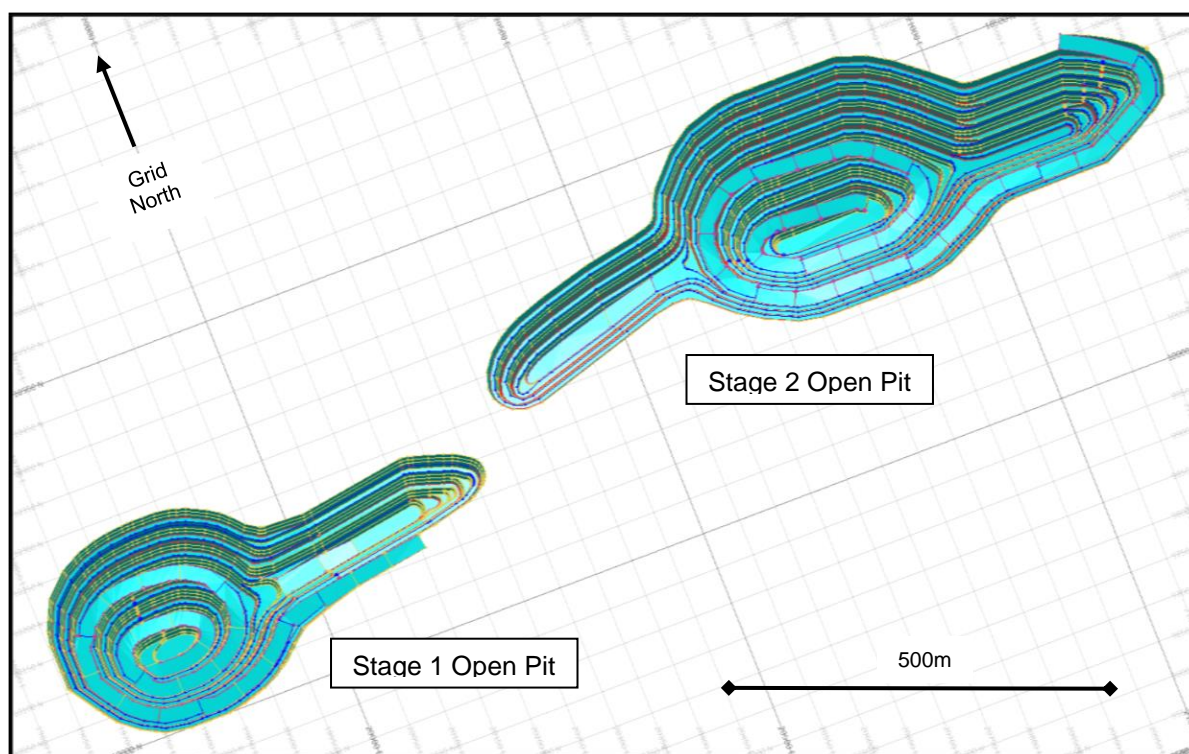
# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REVIEW OF OPERATIONS (continued)

Vintage94 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 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 study is part of SBR's 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 by SBR will allow the Company to rapidly advance the evaluation of the project to feasibility stage.



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

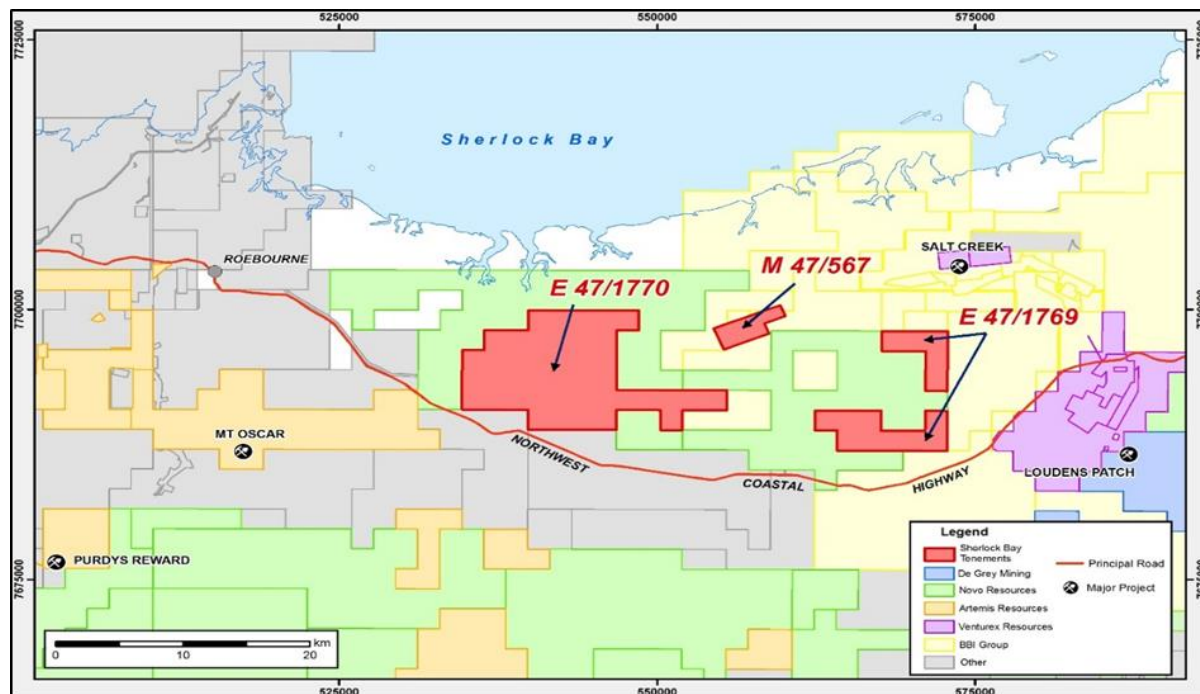
### Conglomerate-hosted Gold

The Sherlock Bay Project also covers highly sought after ground that has potential for conglomerate-hosted gold mineralisation. The project area is almost totally surrounded by tenements held by Novo Resources Inc. (Figure 4). It sits strategically within the conglomerate-gold search area adjacent to and to the east of ground held by Artemis Resources Ltd and to the west of ground held by De Grey Mining Ltd. No prior exploration for gold has been undertaken in the project area.

# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REVIEW OF OPERATIONS (continued)



**Figure 4:** Current tenement status map for the Sherlock Bay Project and surrounding area, source: WA Department of Mines, Industry Regulation and Safety

### Otavi Mountain Land copper and base metal project, Namibia

The Project is located in the Otavi Mountain Land (OML) metallogenic province (Figure 5), historically a globally important source of copper, zinc, lead, and vanadium. The OML has a long mining history dating back to the late 1800's 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.

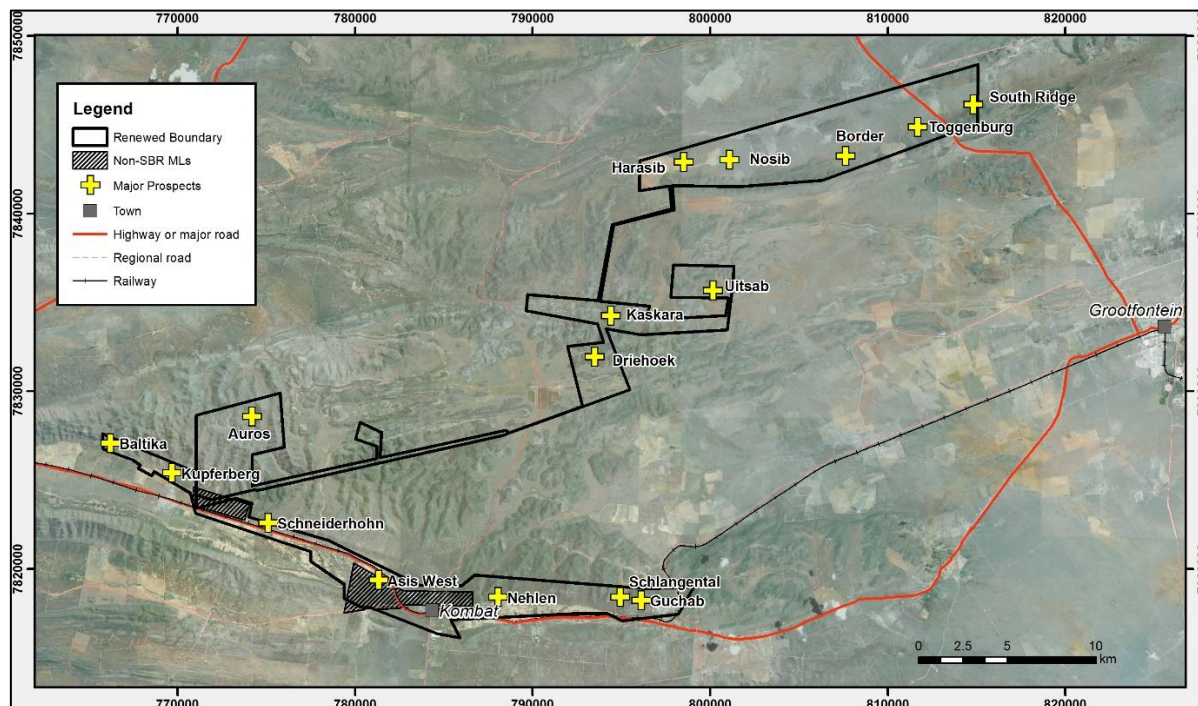
No field work was completed on the Company's projects during the reporting period due to delays obtaining renewals of the relevant exploration tenements in Namibia from the Ministry of Mining and Energy. The Company's Exclusive Prospecting Licence (EPL) No. 3540 was renewed by the MME on the 8<sup>th</sup> May 2019 and EPL 3542 was renewed on the 9<sup>th</sup> May 2019 both for two year terms. (Appendix I).

The lengthy delay in obtaining renewals for the tenements has impacted on the ability of the Company to progress its exploration and access the capital markets. The Company now has security of tenure and can proceed with its exploration and also consider other options such as farm-in or joint venture arrangements.

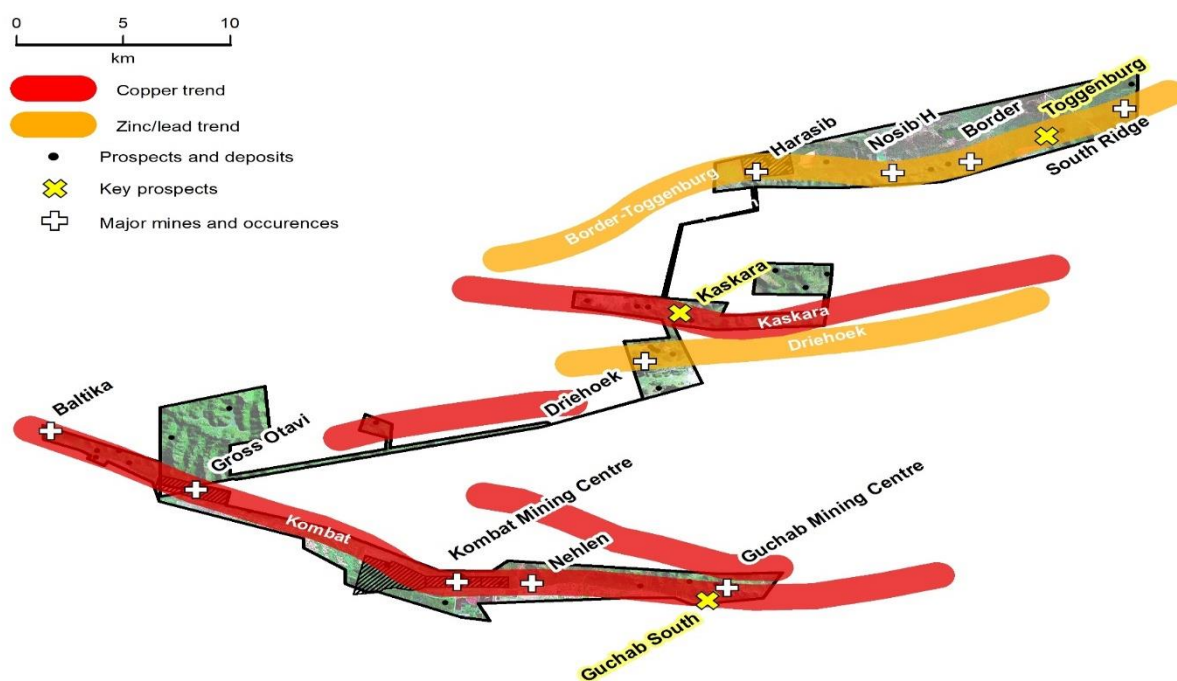
# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REVIEW OF OPERATIONS (continued)



**Figure 5:** Location map of the Sabre Resources Limited Exclusive Prospecting Licences (EPLs) in the Otavi Mountain Land, northern Namibia



**Figure 6:** Schematic diagram of copper and zinc-lead mineralised trends within the Sabre tenements, showing key prospect areas and major mines and mineral occurrences

# SABRE RESOURCES LTD

## DIRECTORS REPORT

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### REVIEW OF OPERATIONS (continued)

#### Zinc-lead-silver prospects

The outlook for the zinc price remains positive supporting the ongoing review of the zinc and lead opportunities within the Otavi Mountain Land project. A summary of these opportunities is provided below.

#### **Border Zn-Pb-Ag Deposit**

Sabre's Border Zn-Pb project has a JORC 2012 Inferred Resource of 16.0Mt @ 1.53% Zn, 0.59% Pb and 4.76g/t Ag<sup>1</sup> is located within a 25km significant regional zinc-lead anomalous corridor, which hosts a number known occurrences including Border, Toggenburg and South Ridge to the East, and Harasib to the west (Figure 6).

Following increases in the zinc price, a review of the capital and operating cost assumptions in the 2011 Scoping Study completed at Border continued. Metallurgical sighter testwork on a bulk sample conducted for that study shows that the mineralisation responds very favourably to Heavy Media Separation ('HMS'). Border mineralisation upgrades with HMS, before grinding and flotation, to a product of 12.5% Zn + 6.3% Pb with recoveries of 86% and 92.5% respectively<sup>1</sup>.

<sup>1</sup>The results of the Inferred Resource as well as the mineralisation were reported in October 2014 (refer to Sabre Resources ASX announcement 16th October 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement).

#### **Toggenburg Zn-Pb-Ag prospect**

Toggenburg is located along strike from Border, and is interpreted to be controlled by the same structures (Figure 7).

Anomalies defined at Toggenburg measure over 2.8 km long and up to 250 m wide and are open to the east and west. The anomalies have an area more than four times the size of the equivalent anomaly at Border, where a 0.1 % Zn+Pb cutoff in the near-surface approximates the footprint of zinc and lead sulphide mineralisation at depth.

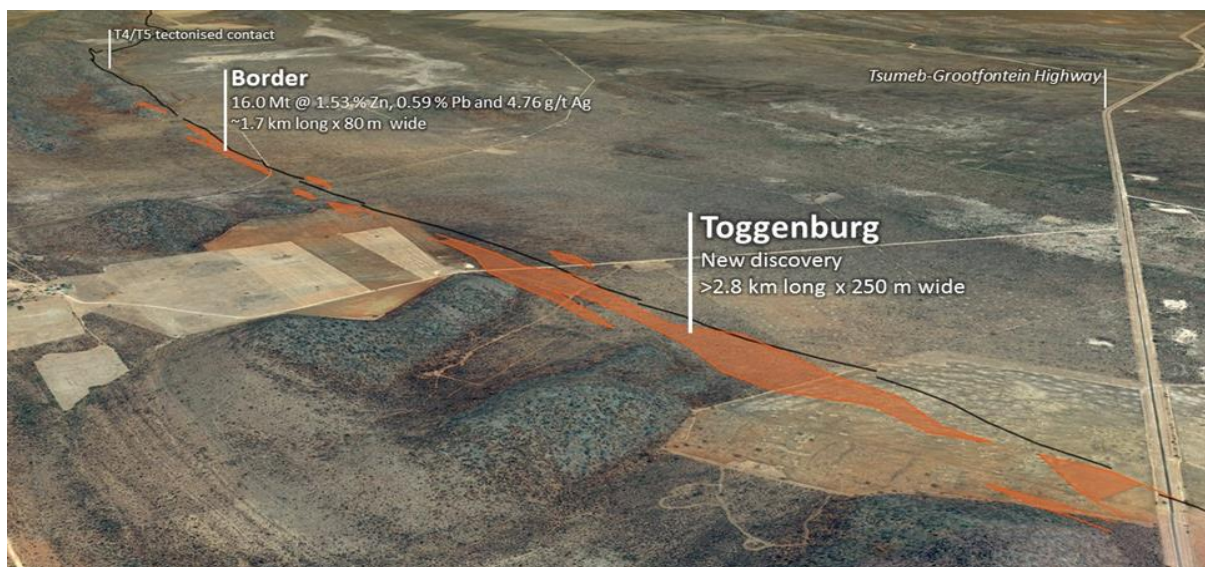
Maximum combined zinc and lead values identified in shallow geochemical drilling at Toggenburg are in excess of 2.9%. Four targets have been selected for reverse circulation drilling. It is expected that, like the Border Zn-Pb deposit to the west, mineralisation will dip to the north-northwest, parallel to the host dolomite sequence.



# SABRE RESOURCES LTD

## DIRECTORS REPORT

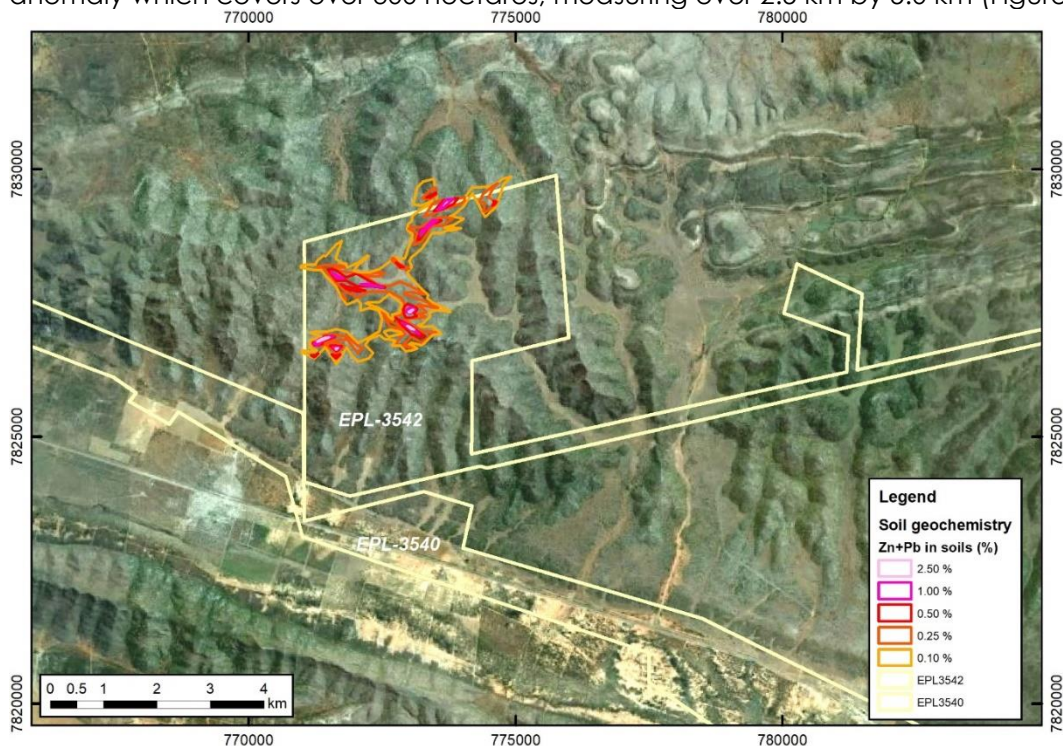
### REVIEW OF OPERATIONS (continued)



**Figure 7:** Sabre's Border and Toggenburg Zn-Pb projects are located along the Border-Toggenburg Corridor which hosts anomalous zinc and lead mineralisation over 25km

### Auros Prospect

Sabre's regional soil sampling programs have identified significant zinc-lead anomalism in the Auros area which is the possible western limit of a regional zinc-lead anomalous corridor extending east for about 20km. Over 1,087 samples were collected resulting in the definition of the Auros zinc-lead anomaly which covers over 300 hectares, measuring over 2.5 km by 5.0 km (Figure 8).



**Figure 8:** The Auros Zinc-Lead anomaly

# SABRE RESOURCES LTD

## DIRECTORS REPORT

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### REVIEW OF OPERATIONS (continued)

The Auros anomaly has been defined using a 0.1% Zn+Pb cutoff (as at Toggenburg) and contains a peak value of 8.25 % Zn+Pb (6.30 % Zn and 1.95 % Pb – determined by portable XRF) near the historic Nageib workings. Numerous percentage-grade results were obtained in areas with no known historic mining activity. One such area, which recorded soil values up to 4.65 % Zn+Pb (3.20 % Zn and 1.45 % Pb), exhibits outcropping brecciated and disseminated sphalerite and galena mineralisation.

Detailed interpretation of high-resolution aeromagnetic data over the Auros area shows that bedding and its interaction with several important cross-cutting structures seem to control the distributions of intense zinc and lead anomalism throughout the area.

### Vanadium Prospects

Sabre has continued to review vanadium prospects and targets on the Company's tenements following increases in the vanadium pentoxide price over the last few years. A summary of priority prospects is provided below.

#### ***Baltika Prospect***

Baltika is located within and toward the west of Sabre's EPL 3540. The historical mine produced 5,820t of concentrate grading 9% vanadium pentoxide between 1931 and 1942. Vanadium mineralisation is associated with east-west trending zinc- and lead-bearing structures proximal to the contact which hosts the Kombat and Guchab Cu-Zn-Pb mining centres to the east within the Kombat Corridor.

#### ***Utisab Prospect***

Utisab is a historic open pit mine located 7km east of the Kaskara prospect and 29km from Abenab. Previous production is not recorded but mining was small scale. No modern exploration has been conducted.

### Copper Projects

Sabre has defined copper mineralisation in two major trends with potential for Tsumeb, Kipushi and Kombat breccia-style massive sulphide pipes, and Tschudi-style stratiform mineralisation.

#### ***Kombat Copper Trend***

Copper in geochemical drilling at Guchab South has identified visible chalcocite and malachite over an 850m by 100m zone which is located along trend east of the Kombat Copper Mine (Figure 9).

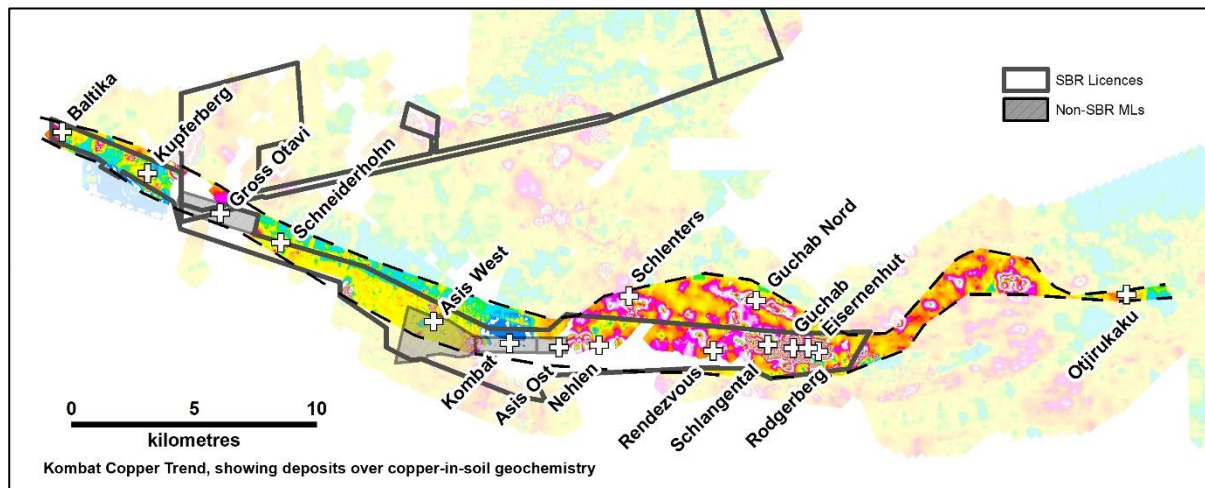
The disseminated copper mineralisation at Guchab South is interpreted to be a possible halo to potentially more massive mineralisation down plunge. Initial results show that the mineralisation has a shallow westerly plunge. The down-plunge mineralised zone is interpreted to be overlain by the subsurface shale/dolomite contact.

Mineralisation at Guchab South is very similar to that at the Kombat Copper Mine located 10 km to the west. At Guchab South, copper sulphide mineralisation is hosted within hydraulic breccias that are often observed to be structurally controlled. Mineralised breccia zones are directly associated with various styles of alteration including silicification and calcitisation. Promisingly, hydrothermal calcite is manganese-rich, as it is in the major copper deposits of the region.

# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REVIEW OF OPERATIONS (continued)

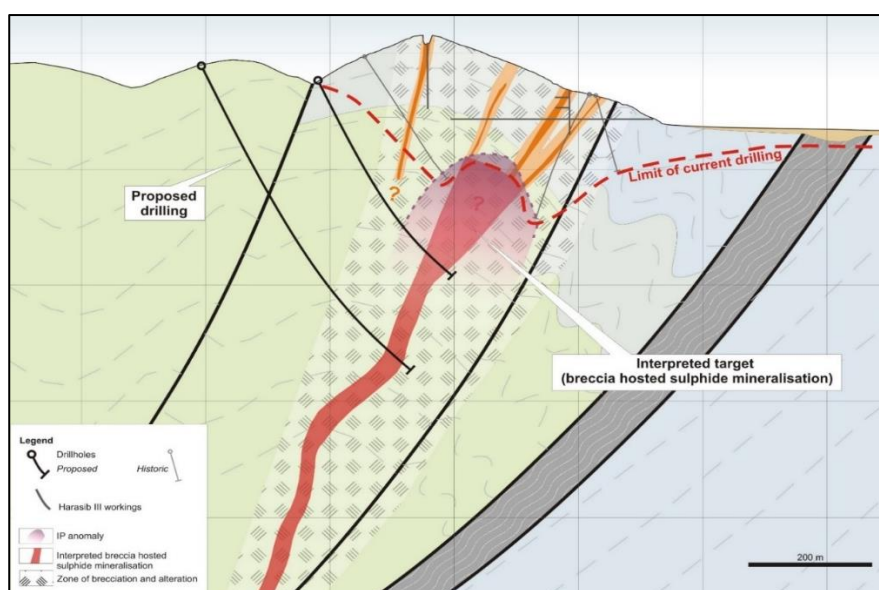


**Figure 9:** Map of the Kombat Copper Trend, showing prospect areas and historical mines overlain on copper soil geochemistry

### Kaskara Trend

The Kaskara copper-lead-zinc-vanadium prospect is considered to have potential for a large Tsumeb-style deposit. It was historically mined for vanadium and has shown very high grades of Cu, Pb, Zn and  $V_2O_5$  in underground channel samples and RC percussion drilling.

Within the deposit, there is extensive alteration around numerous Pb, Zn, Cu, and V rich gossan-like breccias. A deep, funnel-shaped weathering profile, typical of shallow zones of major deposits of the region, is developed on the deposit. Extensive IP anomalism over several hundred metres laterally at depth, suggesting extensions of the mineralised zones (Figure 10).



**Figure 10:** Schematic cross section of the Kaskara Cu-Zn-Pb-V mine and geology showing possible deeper extensions of the mineralised zone



# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REVIEW OF OPERATIONS (continued)

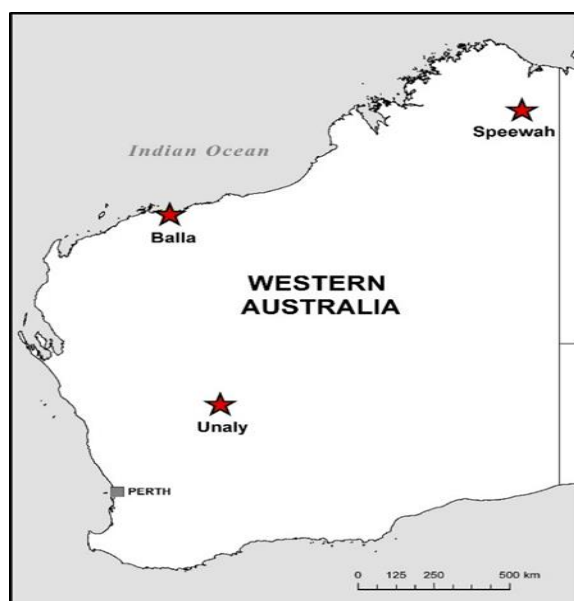
#### Corporate and Tenement Management

Renewal applications for both EPL 3540 and EPL 3542 were submitted to the Ministry of Mining and Energy (MME) in September 2018 and granted in May 2019 for a further two year term.

#### WA Vanadium Projects

In 2018 the Company acquired Kinetic Metals Pty Ltd. Kinetic Metals Pty Ltd was the holder of a 100% interest in each of the Speewah, Unaly and Balla Vanadium projects, all located in Western Australia (Figure 11).

All three projects were acquired as exploration licence applications which had not been granted by the WA Department of Mines, Industry Regulation and Safety (DMIRS). In 2019 the Company opted to only progress the Speewah project through the Native Title process to grant. The Balla and Unaly projects were relinquished.



**Figure 11:** Kinetic Metals project location map

#### **Speewah Vanadium Project**

The Speewah Vanadium Project is located adjacent to and adjoins the area that contains the King River Copper Limited Speewah Dome project which hosts a JORC resource of 4.7 Bt at 0.3% V<sub>2</sub>O<sub>5</sub> and 2% TiO<sub>2</sub>.

The Speewah project is comprised of an exploration license application (EL80/5219) of 89 graticular blocks covering an area of 292.15 km<sup>2</sup> (Figure 12). The project is located in the eastern Kimberley region of Western Australia, approximately 100 km southwest of Kununurra.



# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REVIEW OF OPERATIONS (continued)

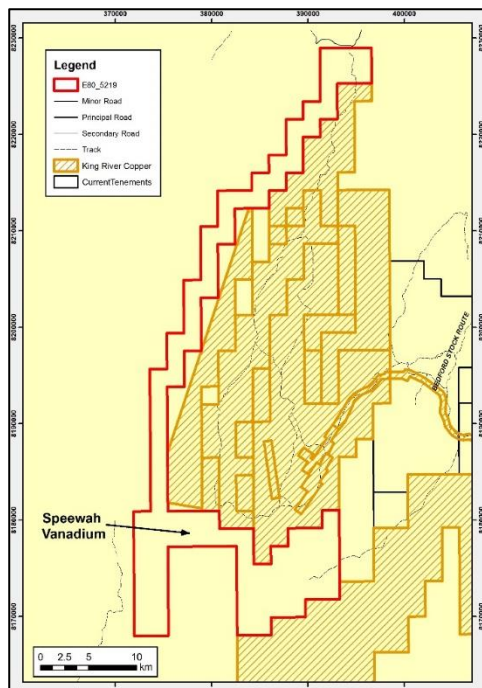


Figure 12: Speewah Vanadium Project location map

### RESULTS

The operating loss for the financial year after providing for income tax amounted to \$14,551,815 (2018: \$554,063).

### FINANCIAL POSITION

The net assets of the Group have decreased by \$13,915,021 from \$26,308,982 at 30 June 2018 to \$12,393,961 at 30 June 2019.

### DIVIDENDS

Since the end of the previous financial year, no dividend has been declared or paid by the Company. The Directors do not recommend the payment of a dividend.

### INFORMATION ON DIRECTORS AND COMPANY SECRETARY

a) The qualifications and experience of the Board of Directors and Company Secretary are as follows.

(i) Michael Scivolo BCom, FCPA (Non-Executive Director)

Mr Scivolo has extensive experience in the fields of accounting and taxation in both corporate and non-corporate entities. He was a Director of Blaze International Limited until 4 December 2015, K2Fly Ltd (formerly Power Resources Limited) until 17 November 2016 and Covata Ltd (formerly Prime Minerals Limited) until 29 October 2014. He is currently a Director of Metals Australia Ltd and Golden Deeps Limited.

# SABRE RESOURCES LTD

## DIRECTORS REPORT

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### INFORMATION ON DIRECTORS AND COMPANY SECRETARY (continued)

(ii) Robert Collins

Mr Collins has served on a number of ASX listed industrial and mining company boards, and owned a large accounting practice serving the corporate sector. He was a Director of Covata Ltd (formerly Prime Minerals Limited) until 29 October 2014, K2Fly Ltd (formerly Power Resources Limited) until 17 November 2016 and Blaze International Limited until 8 April 2016. Mr Collins is currently a Non-Executive Director of Metals Australia Ltd and Golden Deeps Limited.

(iii) Basil Conti FCA

Mr Conti is a fellow of the Institute of Chartered Accountants Australia & NZ and was a partner/director of a Chartered Accounting firm in West Perth until 2015. Mr Conti is experienced in management accounting, taxation, secretarial practice, corporate and financial planning, consulting to small and large businesses and has been associated with the mining industry in a professional capacity for some 25 years. Mr Conti was previously a director of Sheila Foundation Limited.

b) The following persons acted as Company Secretary during the financial year:-

(i) Martin Stein B. Bus., CA, FCIS, FGIA

Mr Stein is a finance and governance professional and has previously held executive positions with PwC and Anvil Mining Ltd. He is a Chartered Accountant, Fellow of Institute of Chartered Secretaries and Administrators and Fellow of Governance Institute of Australia.

Mr Stein brings to the Company a wealth of experience in the corporate and resource sectors, both in Australia and overseas.

Mr Stein is also the Chief Financial Officer of the Company. Mr Stein was appointed 28 November 2018.

(ii) Graham Baldisseri BBus CPA GDipAppFin (SecInst)

Mr Baldisseri is a CPA, with a Bachelor of Business degree and a Graduate Diploma of a Applied Finance and Investment (Corporate Finance). He has had over 31 years management, corporate advisory, finance and accounting and company secretarial experience working for several listed and unlisted companies. Mr Baldisseri is also the Chief Financial Officer of the Company. Mr Baldisseri was appointed 31 January 2019. Mr Baldisseri resigned on 26 November 2018.

# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REMUNERATION REPORT (AUDITED)

Details of Key Management Personnel (KMP) as at 30 June 2019 were:

Key Management Personnel	Position
M Scivolo	Non-Executive Director
R Collins	Non-Executive Director
B Conti	Non-Executive Director

All directors were in office the entire year. There are no committees of directors.

### KMP Remuneration

#### 2019

Key Management Personnel	Short-term Benefits		Superannuation	Share-based Payment	Total	Percentage of remuneration paid in Equity
	Director's Fees	Salaries & Consulting Fees				
	\$	\$	\$	\$	\$	%
M Scivolo	10,959	-	1,041	-	12,000	-
R Collins	12,000	-	-	-	12,000	-
B Conti	10,959	-	1,041	-	12,000	-
	<b>33,918</b>	<b>-</b>	<b>2,082</b>	<b>-</b>	<b>36,000</b>	<b>-</b>

The directors fees disclosed above were based on Directors entitlements and includes actual payments and entitlements accrued but not paid. As at 30 June 2019 there was a total amount of \$6,000 owing to directors for fees and superannuation.

#### 2018

Key Management Personnel	Short-term Benefits		Superannuation	Share-based Payment	Total	Percentage of remuneration paid in Equity
	Director's Fees	Salaries & Consulting Fees				
	\$	\$	\$	\$	\$	%
M Scivolo	12,000	1,340	-	-	13,340	-
D Chapman	12,000	-	-	-	12,000	-
R Collins	12,000	-	-	-	12,000	-
B Conti	-	-	-	-	-	-
	<b>36,000</b>	<b>1,340</b>	<b>-</b>	<b>-</b>	<b>37,340</b>	<b>-</b>

No options were held by any KMP during the period under review.

# SABRE RESOURCES LTD

## DIRECTORS REPORT

### REMUNERATION REPORT (AUDITED) (continued)

#### KMP Shareholdings

The number of ordinary shares in Sabre Resources Ltd held by each KMP during the financial year is as follows:

	Balance 1 July 2018	Granted as Compensation	Issued on Exercise of Options During the Year	Other Changes During the Year	Balance 30 June 2019
M Scivolo	-	-	-	-	-
R Collins	-	-	-	-	-
B Conti	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Non-executive Directors receive a fixed fee, with Executive Directors being remunerated for any professional services conducted for the Company.

No Director has an employment contract, but the employment terms and conditions of key management personnel and Group executives are formalised in twelve month contracts of employment.

Terms of employment require that thirty days' notice of termination of contract is required from either employer or employee. There is no agreement to pay any termination payment other than accrued salary and annual leave.

Directors and Executives received no benefits in the form of share-based payments during the year ended 30 June 2019.

There are no retirement schemes for any Directors or any loans or any other type of compensation. Board policy on the remuneration for this exploration company is influenced by comparing fees paid to directors in other companies within the exploration industry, and then set at a level to attract qualified people, to accept the responsibilities of directorship. No Director, executive or employee has an employment contract.

Being an exploration company, with no earnings, a relationship is yet to be established between an emolument policy and the Company's performance. During the year the Company did not engage remuneration consultants to review its existing remuneration policies.

At the last AGM shareholders voted to adopt the remuneration report for the year ended 30 June 2018. The Company did not receive specific feedback at the AGM regarding its remuneration practices.

### END OF REMUNERATION REPORT

# SABRE RESOURCES LTD

## DIRECTORS REPORT

### ANALYSIS OF MOVEMENT IN SHARES

During the year the Company conducted a capital raisings and also issued shares as consideration for the acquisition of tenements or for services rendered as follows.

	Number	\$
Opening balance 1 July 2018	369,340,280	53,970,149
Transfer from Share Option Reserve upon expiration of 149,500,000 unlisted options on 1 August 2018	-	13,700
Placement on 13 August 2018	2,500,000	37,500
Placement on 20 September 2018	1,799,992	27,000
Placement on 12 October 2018	33,333,334	500,000
Capital raising costs on above placement	-	(50,603)
Closing balance 30 June 2019	406,973,606	54,497,746

### ANALYSIS OF MOVEMENT IN OPTIONS

During the year the movement in options was as follows.

Class	Balance 1 July 2018	Issued During Year	Exercised or expired during year	Balance 30 June 2019
Exercisable at 2.5 cents each on or before 1 August 2018	149,500,000	-	(149,500,000)	-
Exercisable at 1.5 cents each on or before 1 December 2021	125,000,000	-	-	125,000,000
Exercisable at 3.0 cents each on or before 31 October 2019	-	151,501,378	-	151,501,378
	<b>274,500,000</b>	<b>151,501,378</b>	<b>(149,500,000)</b>	<b>276,501,378</b>

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

# SABRE RESOURCES LTD

## DIRECTORS REPORT

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### MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2019, and the number of meetings attended by each Director.

Name	Eligible to attend	Attended
Michael Scivolo	3	3
Robert Collins	3	2
Basil Conti	3	3

The Directors also conducted business via Circular Resolutions.

### RETIREMENT, ELECTION AND CONTINUATION OF OFFICE OF DIRECTORS

Mr Michael Scivolo retired by rotation as a Director at the Annual General Meeting on 30 November 2018 and was re-elected.

Mr Robert Collins who is retiring by rotation, will offer himself for re-election at the forthcoming Annual General Meeting.

### ENVIRONMENTAL ISSUES

The Company's objective is to ensure that a high standard of environmental care is achieved and maintained on all properties. There are no known environmental issues outstanding.

### EVENTS SUBSEQUENT TO REPORT DATE

On 2 August 2019, the Company announced that it had 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). The acquisition being subject to due diligence and shareholder approval, which as at the date of this report, has not been finalised. The key terms of the acquisition are as follows:

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

On 2 August 2019, the Company further announced that it had 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 share placement is to be completed in two tranches as follows:

# SABRE RESOURCES LTD

## DIRECTORS REPORT

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### EVENTS SUBSEQUENT TO REPORT DATE (continued)

- Tranche 1: Issue of 68,410,068 shares at \$0.003 per share to raise \$205,230 (before costs). The Tranche 1 shares were issued on 2 August 2019 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. All shares have been quoted on the ASX. 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 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 Company will apply to the ASX for quotation of the 233,333,333 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.

On 15 August 2019, the Company announced that it had entered into a binding Share Sale Agreement with Scarce Minerals Pty Ltd (Scarce Minerals) to acquire a 100% interest in Scarce Minerals, which holds the Beacon Gold Project (ELA 57/1136). The acquisition being subject to due diligence and shareholder approval, which as at the date of this report, has not been finalised. The key terms of the acquisition are as follows:

- The Company will issue the vendors of Scarce Minerals with 6,000,000 fully paid ordinary shares, subject to shareholder approval; and
- The Company will issue the vendors of Scarce Minerals with 6,000,000 options, with each option having an exercise price of \$0.008 and an expiry date of 30 September 2022, subject to shareholder approval.

On 15 August 2019, the Company further announced that it had 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 share placement is to be completed as follows:

- The Company will issue 135,000,000 shares at \$0.004 per share to raise \$540,000 (before costs). Participants will also receive five (5) free attaching options for each four (4) shares subscribed under the placement exercisable at \$0.008 per share at any time up to 30 September 2022. The shares and options will be issued subject to receipt of funds and following shareholder approval.

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.

The Company intends to hold a General Meeting on 30 October 2019 at which it will seek shareholder approval for the issue of securities outlined above.

# **SABRE RESOURCES LTD**

## **DIRECTORS REPORT**

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### **EVENTS SUBSEQUENT TO REPORT DATE (continued)**

No matters or circumstances have arisen since the end of the financial year, except as reported, which significantly affect, or could significantly affect, the operations of the consolidated group, the results of these operations, or the state of affairs of the consolidated group in future years.

### **INDEMNIFYING OFFICERS OR AUDITOR**

No indemnities have been given, or insurance premiums paid, other than Directors' and Officers' Insurance, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity. Details of the amount of the premium paid in respect of the Directors and Officers insurance policy is not disclosed as such disclosure is prohibited under the terms of the contract.

### **SHARE OPTIONS**

As at the date of this report, there are 125,000,000 options with an expiry of 1 December 2021 on issue, 151,501,378 with an expiry of 31 October 2019 on issue.

### **SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There have not been any significant changes in the state of affairs of the Company and its controlled entities during the financial year, other than as noted in this financial report.

### **PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

### **AUDIT COMMITTEE**

No Audit Committee has been formed as the Directors believe that the Company is not of a size to justify having a separate Audit Committee. Given the small size of the Board, the Directors believe an Audit Committee structure to be inefficient.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the independent auditor's declaration as required by section 307c of the *Corporations Act 2001*, is set out on Page 60.



# SABRE RESOURCES LTD

## DIRECTORS REPORT

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### NON AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons;

- All non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year under review, a related practice of the Company's previous auditor, Grant Thornton Audit Pty Ltd, also provided services in relation to taxation matters. Details of the amounts paid and payable to the auditor of the Company, Grant Thornton Audit Pty Ltd for audit and non-audit services provided during the year are set out in Note 6 to the Financial Statements.

This report is made in accordance with a resolution of the Directors and Section 298(2) of the *Corporations Act 2001*.



Michael Scivolo  
DIRECTOR

Dated this 26th day of September 2019  
Perth, Western Australia

# SABRE RESOURCES LTD

## DIRECTORS REPORT

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### **Caution Regarding Forward-Looking Information**

This document contains forward-looking statements concerning Sabre Resources Limited. 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 Limited 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 announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Martin Bennett. Mr Bennett is a consultant to Sabre Resources Limited and is a member of the Australasian 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 being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bennett consents to the inclusion in the report of the matters based on their 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.

# SABRE RESOURCES LTD

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2019

	Notes	Consolidated 2019 \$	2018 \$
<b>Other Income</b>	5	43,881	140,221
<b>Expenditure</b>			
Depreciation		(665)	(14,270)
Directors' fees and services		(36,000)	(37,140)
Professional fees		(245,334)	-
ASX listing fees		(22,452)	-
Provision for doubtful debts		(43,522)	(6,902)
Exploration and evaluation expenditure written off	11	(13,998,311)	-
Office facility fees for services under a Management Agreement		(189,278)	(188,002)
Reimbursable costs payable to Management Company		-	(239,714)
Employee benefits expense		(26,188)	(31,667)
Other operating costs		(33,946)	(176,589)
		<b>(14,595,696)</b>	<b>(694,284)</b>
<b>(Loss) before income tax</b>		<b>(14,551,815)</b>	<b>(554,063)</b>
Income tax benefit	4	-	-
<b>(Loss) for the year</b>		<b>(14,551,815)</b>	<b>(554,063)</b>
<b>Other Comprehensive Income, net of tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign controlled entities		116,953	(100,649)
<b>Total Comprehensive Profit/(Loss) for the year</b>		<b>(14,434,862)</b>	<b>(654,712)</b>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the parent		(13,682,081)	(584,835)
Non-controlling interest		(869,734)	30,772
<b>Total Profit/(Loss) for the year, net after tax</b>		<b>(14,551,815)</b>	<b>(554,063)</b>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
Owners of the parent		(13,537,836)	(660,322)
Non-controlling interest		(897,026)	5,610
<b>Total comprehensive income/(loss) for the year</b>		<b>(14,434,862)</b>	<b>(654,712)</b>
Basic and diluted profit/(loss) per share (cents)	18	(3.65)	(0.0020)

Diluted earnings / (loss) per share has not been shown as the exercise of options would not be dilutive on earnings.

The accompanying notes form part of these financial statements

# SABRE RESOURCES LTD

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	Consolidated 30 June 2019 \$	30 June 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	351,111	1,207,263
Trade and other receivables	9	68,955	66,628
<b>TOTAL CURRENT ASSETS</b>		<b>420,066</b>	<b>1,273,891</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	10	14,696	12,481
Exploration and evaluation expenditure	11	13,023,225	26,596,664
<b>TOTAL NON-CURRENT ASSETS</b>		<b>13,037,921</b>	<b>26,609,145</b>
<b>TOTAL ASSETS</b>		<b>13,457,987</b>	<b>27,883,036</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	79,602	271,853
Borrowings		-	300,000
Provisions		30,986	18,554
<b>TOTAL CURRENT LIABILITIES</b>		<b>110,588</b>	<b>590,407</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	12(a)	508,647	508,647
Borrowings	12(b)	444,791	475,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>953,438</b>	<b>983,647</b>
<b>TOTAL LIABILITIES</b>		<b>1,064,026</b>	<b>1,574,054</b>
<b>NET ASSETS</b>		<b>12,393,961</b>	<b>26,308,982</b>
<b>EQUITY</b>			
Issued capital	13	54,497,746	53,970,149
Foreign currency translation reserve	16	(1,626,209)	(1,770,454)
Option reserve	14	53,073	60,829
Accumulated losses	15	(38,736,568)	(25,054,487)
Parent interests		14,188,042	27,206,037
Non-controlling interest		(1,794,081)	(897,055)
<b>TOTAL EQUITY</b>		<b>12,393,961</b>	<b>26,308,982</b>

The accompanying notes form part of these financial statements

# SABRE RESOURCES LTD

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Ordinary Issued Capital \$	Foreign Currency Translation Reserve \$	Share Options Reserve \$	(Accumulated Losses) \$	Total attributable to owners of parent \$	Non- controlling Interest \$	Total \$
<b>BALANCE AT 1 JULY 2018– as previously stated</b>	<b>53,970,149</b>	<b>(2,360,605)</b>	<b>60,829</b>	<b>(25,361,421)</b>	<b>26,308,952</b>	<b>30</b>	<b>26,308,982</b>
Prior period adjustment (Refer to Note 27)	-	590,151	-	306,934	897,085	(897,085)	-
<b>BALANCE AT 1 JULY 2018- restated</b>	<b>53,970,149</b>	<b>(1,770,454)</b>	<b>60,829</b>	<b>(25,054,487)</b>	<b>27,206,037</b>	<b>(897,055)</b>	<b>26,308,982</b>
Loss attributable for the period	-	-	-	(13,682,081)	(13,682,081)	(869,734)	(14,551,815)
Total other comprehensive income/(loss) for the period	-	144,245	-	-	144,245	(27,292)	116,953
Issue of capital	578,200	-	(13,700)	-	564,500	-	564,500
Capital raising costs	(50,603)	-	-	-	(50,603)	-	(50,603)
Share based payments	-	-	5,944	-	5,944	-	5,944
<b>BALANCE AT 30 JUNE 2019</b>	<b>54,497,746</b>	<b>(1,626,209)</b>	<b>53,073</b>	<b>(38,736,568)</b>	<b>14,188,042</b>	<b>(1,794,081)</b>	<b>12,393,961</b>

The accompanying notes form part of these financial statements

# SABRE RESOURCES LTD

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Ordinary Issued Capital \$	Foreign Currency Translation Reserve \$	Share Options Reserve \$	(Accumulated Losses) \$	Total attributable to owners of parent \$	Non- controlling Interest \$	Total \$
<b>BALANCE AT 1 JULY 2017– as previously stated</b>	<b>52,325,045</b>	<b>(2,259,956)</b>	<b>10,000</b>	<b>(24,807,358)</b>	<b>25,267,731</b>	<b>-</b>	<b>25,267,731</b>
Prior period adjustment (Refer to Note 27)	-	564,989	-	337,706	902,695	(902,695)	-
<b>BALANCE AT 1 JULY 2017- restated</b>	<b>52,325,045</b>	<b>(1,694,967)</b>	<b>10,000</b>	<b>(24,469,652)</b>	<b>26,170,426</b>	<b>(902,695)</b>	<b>25,267,731</b>
Loss attributable for the period	-	-	-	(584,835)	(584,835)	30,772	(554,063)
Total other comprehensive income/(loss) for the period	-	(75,487)	-	-	(75,487)	(25,132)	(100,619)
Issue of capital	1,768,021	-	-	-	1,768,021	-	1,768,021
Capital raising costs	(122,917)	-	-	-	(122,917)	-	(122,917)
Share based payments	-	-	50,829	-	50,829	-	50,829
<b>BALANCE AT 30 JUNE 2018</b>	<b>53,970,149</b>	<b>(1,770,454)</b>	<b>60,829</b>	<b>(25,054,487)</b>	<b>27,206,037</b>	<b>(897,055)</b>	<b>26,308,982</b>

The accompanying notes form part of these financial statements

# SABRE RESOURCES LTD

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 30 June 2019 \$	30 June 2018 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		108,912	90,327
Payments to suppliers and employees		(959,568)	(470,279)
Interest received		11,218	2,691
Other income		34,977	-
<i>Net cash (used in) operating activities</i>	17	<u>(804,461)</u>	<u>(373,989)</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from disposal of plant and equipment		-	27,523
Payments for exploration and evaluation expenditure		(228,089)	(295,655)
Proceeds from sale of investment		-	42,493
<i>Net cash (used in) investing activities</i>		<u>(228,089)</u>	<u>(225,609)</u>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares, net of capital raising costs		476,397	1,499,763
Proceeds from issue of options		-	16,200
Repayment of loans		(320,000)	-
Proceeds from loans		20,000	325,000
<i>Net cash provided by/(used in) financing activities</i>		<u>176,397</u>	<u>1,840,963</u>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		<b>(856,153)</b>	<b>1,241,365</b>
Cash and Cash Equivalents at the Beginning of the Year		1,207,264	66,579
Effect of exchange rates		-	(100,681)
<b>Cash and Cash Equivalents at the End of Year</b>	8	<u><b>351,111</b></u>	<u><b>1,207,263</b></u>

The accompanying notes form part of these financial statements

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. Corporate Information

The financial report of Sabre Resources Ltd (the Company) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 26 September 2019.

Sabre Resources Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange and Frankfurt Stock Exchange.

The nature of the operations and principal activity of the Group is mineral exploration.

### 2. Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, Australian Accounting Interpretations and complies with other requirements of the law, as appropriate for for-profit oriented entities. The financial report has also been prepared on an accruals basis and on a historical cost basis, except for financial assets and liabilities, which have been measured at fair value.

The financial report also complies with International Financial Reporting Standards (IFRS).

The financial report is presented in Australian Dollars.

The financial statements of the Company and Group have been prepared on a going concern basis which anticipates the ability of the Company and Group to meet its obligations in the normal course of the business.

#### (b) New Accounting Standards for Application in Future Period

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

##### *AASB 9 Financial Instruments*

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').



# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### (b ) New Accounting Standards for Application in Future Period (continued)

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

#### *AASB 15 Revenue from Contracts with Customers*

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

#### (c) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2019. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### (c) Basis of consolidation (continued)

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

#### (d) Foreign currency translation

The functional and presentation currency of Sabre Resources Ltd, Link National Pty Ltd, Sherlock Operations Pty Ltd, Hammond Park Pty Ltd and Starloop Holdings Pty Ltd is Australian Dollars (A\$), and the functional and presentation of Sabre Resources Namibia (Pty) Ltd and Gazania Investments Nine (Pty) Ltd is Namibian Dollars (N\$).

Cash remittances from the parent entity to the Namibian subsidiaries are sent in Australian Dollars. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of any overseas subsidiaries would be translated into the presentation currency of Sabre Resources Ltd at the rate of exchange ruling at the Statement of Financial Position date and the Statement of Profit or Loss and Other Comprehensive Income are translated at the weighted average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to Other Comprehensive Income.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Statement of Profit or Loss.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### (e) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment - over 3 to 5 years

#### *Impairment*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss in the period the item is derecognised.

#### (f) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### (g) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### (g) Investments and other financial assets (continued)

##### **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

##### **Impairment**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

#### (h) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any).

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

#### (i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

#### (j) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### (k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### (l) Share-based payment transactions

##### (i) Equity settled transactions:

In the year under review, the Group did not provide benefits to management personnel and consultants of the Group in the form of share-based payments whereby personnel render services in exchange for shares.

In valuing equity-settled transactions, no account was taken of any performance conditions, other than conditions linked to the price of the shares of Sabre Resources Ltd (market conditions). The cost of equity-settled transactions was recognised, together with the corresponding increase in equity, on the date of grant of the options.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

##### (ii) Cash settled transactions:

The Group does not provide benefits to employees in the form of cash-settled share based payments.

Any cash-settled transactions would be measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date with changes in fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### (m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

#### (n) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised:
- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and,
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### (n) Income tax (continued)

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit or Loss and Other Comprehensive Income. Income tax benefits are comprised of research and development claims against eligible expenditure.

#### (o) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

#### (o) Other taxes (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### (p) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

#### (q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### (r) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the parent, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net loss attributable to members of the parent, adjusted for:

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

#### (s) Comparatives

Comparatives are reclassified where necessary to be consistent with the current year's disclosures.

#### (t) 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 loss of \$14,551,815, (2018: \$554,063). Net cash outflow from operating activities was \$804,461, (2018: \$373,989) and from investing activities of \$228,089, (2018: \$225,609).

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:

- Subsequent to year end, The Company has conducted a capital raising and raised \$205,230 (before costs). Refer note 26.
- Subsequent to year end, the Company has also finalised binding terms for share placements to professional and sophisticated investors to raise capital for exploration, project development, working and other capital requirements. The shares will be issued subject to receiving shareholder approval. Refer note 26.
- The Company's largest creditor has confirmed that the Company has the unconditional right to defer settlement of amounts accrued at 30 June 2019 of \$508,647 for at least fifteen months from 1 July 2019.
- The Company's largest lender has confirmed that the Company has the unconditional right to defer settlement of amounts provided under and interest free loan at 30 June 2019 of \$444,791 for at least fifteen months from 1 July 2019.
- A shareholder of the Company has agreed to provide cash advances to the Company to sustain operations as required.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### (f) Going Concern (continued)

The directors have concluded that the combination of these circumstances represent a material uncertainty that casts significant doubt about the group's ability to continue as a going concern. After making enquiries and considering the uncertainties described above the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the financial report.

Should the group be unable to obtain the funding as described above, and/or lose the support of the major creditor (and shareholder) there is a material uncertainty 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 these stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the group be unable to continue as a going concern.

### 3. Significant Accounting Judgments, Estimates and Assumptions

In applying the Group's accounting policies, management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

#### (i) Significant accounting judgments include:

##### (a) Provision for investments in and loans to subsidiaries

Investments in, and loans to, subsidiaries are fully provided for until such time as subsidiaries are in a position to repay loans.

##### (b) Exploration expenditure

The Group determines whether exploration and evaluation expenditure is impaired on at least an annual basis. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is concluded that the consolidated entity is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to profit and loss.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 3. Significant Accounting Judgments, Estimates and Assumptions (continued)

(ii) *Significant accounting estimates and assumptions include:*

(a) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Income Tax

	Consolidated	
	2019	2018
	\$	\$
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax on profit/(loss) from ordinary activities before income tax at 30%	(4,365,544)	(152,367)
Add:		
Tax effect of:		
Other non-allowable items	4,277,468	33,254
Other assessable items	694	-
Other allowable deductions	(30,210)	-
Deferred tax asset not brought to account	122,533	126,804
Less:		
Tax effect of overseas tax rate	(4,941)	(7,692)
<b>Income tax (benefit) attributable to entity</b>	<b>-</b>	<b>-</b>
Unrecognised Deferred Tax Assets		
- Tax losses: operating losses	3,532,017	3,122,173
- Tax losses: capital losses	1,883,052	1,713,983
- Temporary differences	1,177,011	3,628,853
- Foreign tax losses	279,958	288,958
	<b>6,863,038</b>	<b>8,753,967</b>
Unrecognised Deferred Tax Liabilities	(52,233)	(33,737)

The benefits from Unrecognised Deferred Tax Assets will only be obtained if:

- (i) The companies derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The companies continue to comply with the conditions for deductibility purposes imposed by the Law; and
- (iii) No changes in tax legislation adversely affect the companies in realising the benefits from the deductions for the losses.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Other income

	Consolidated	
	2019	2018
	\$	\$
Interest earned	8,904	5,005
Cost recovery	34,977	82,558
Profit on sale of shares	-	31,429
Profit on sale of assets	-	21,229
	<b>43,881</b>	<b>140,221</b>

### 6. Auditor's Remuneration

	Consolidated	
	2019	2018
	\$	\$
Remuneration of the auditor of the parent entity, Crowe Perth		
- auditing or reviewing the financial report	11,600	-
- taxation services provided by a related practice of the auditor	-	-
Remuneration of the previous auditor of the parent entity, Grant Thornton Audit Pty Ltd		
- auditing or reviewing of the financial report	16,576	30,077
- taxation services provided by related entity of the auditor	5,600	3,695
Remuneration of other auditors of subsidiaries for:		
- auditing or reviewing the financial reports of subsidiaries	13,535	8,846
	<b>47,311</b>	<b>42,618</b>

### 7. Interests of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for Details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2019.

The totals of remuneration paid to KMP during the year are as follows:

Short-term employee benefits	33,918	36,000
Post-employment benefits	2,082	1,140
	<b>36,000</b>	<b>37,140</b>

There are no retirement schemes for any Directors or any loans or any other type of compensation.

### 8. Cash and Cash Equivalents

Represented by:		
Bank deposits	<b>351,11</b>	<b>1,207,263</b>

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Trade and Other Receivables

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade debtors	27,628	-
Other receivables	41,327	287,035
Less provision for doubtful debts	-	(220,407)
	<b>68,955</b>	<b>66,628</b>

The above provision for doubtful debts relates to the VAT refunds in Namibia which are overdue by more than 1 year and hence have been fully provided for. All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

### 10. Plant and Equipment

Plant and Equipment, at cost	76,647	174,363
Less: accumulated depreciation	(61,951)	(161,882)
	<b>14,696</b>	<b>12,481</b>
Opening written down value	12,481	33,044
Additions	29,129	-
Disposals / writeoffs	(26,249)	(6,293)
Depreciation	(665)	(14,270)
<b>Closing written down value</b>	<b>14,696</b>	<b>12,481</b>

### 11. Exploration and Evaluation Expenditure

Opening balance	26,596,664	26,120,999
Expenditure for the year (including foreign currency exchange differences)	424,872	295,665
Value of securities issued to acquire tenements	-	180,000
Exploration and evaluation expenditure written off	(13,998,311)	-
	<b>13,023,225</b>	<b>26,596,664</b>

Exploration write-downs totalled \$13,998,311 and related to EPL 3540 Otavi and EPL 3542 Ongava. During the year ended 30 June 2019 both EPLs were renewed for a period of two years ending 7 May 2021 and 8 May 2021 respectively. As a result of the renewal process the tenement areas covered by the EPLs were reduced as follows:

- EPL 3540 - reduced to 56.19km<sup>2</sup>
- EPL 3542 – reduced to 116.29km<sup>2</sup>

During the year, the Directors received an independent valuation of EPL 3540 and EPL 3542, and concluded that capitalised exploration and evaluation costs have reduced in value. The Company, as a result, has written off exploration and evaluation during the year of \$13,998,311 in relation to EPL 3540 and EPL 3542. Exploration and evaluation expenditure of \$9,100,000 in respect to EPL 3542, and \$3,500,000 in respect of EPL 3540, has been carried forward as at 30 June 2019.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Exploration and Evaluation Expenditure (continued)

Included in the above is \$13,023,225 relating to Exploration and Evaluation Expenditure on tenements held in Namibia. The Namibian government has adopted The New Equitable Economic Empowerment Framework (NEEEF), a set of policies designed to encourage the private business sector to become more equitable and to make a greater contribution towards national economic empowerment and transformation.

At this stage, the enactment of NEEF does not appear to have any significant implications for our future activities in Namibia.

On 29 June 2012, the Group acquired all the issued share capital of Starloop Holdings Pty Limited (Starloop) for a purchase consideration of 5,360,000, consisting of 46,000,000 converting shares of Sabre Resources Ltd at a share price of 11cents and \$300,000 in cash. The consideration securities were subject to a 12 month escrow period which expired on 28 June 2013. Other terms of the transaction included the issue of the further shares upon meeting the targets set out below:

1. 25 million shares on achieving inferred JORC resource of 1million tonnes at a grade of 2% Cu, and
2. A further 5 million shares on achieving an inferred JORC resource of 5 million tonnes at a grade of 3% Cu.

The above items are disclosed in the contingent liability at note 25.

### 12. Trade and other Payables

#### (a) Trade Payables

##### Current

Trade payables	49,402	271,853
Accrued liabilities and other payables	30,200	-
	<b>79,602</b>	<b>271,853</b>

##### Non-current

Deferred trade payables	508,647	508,647
	<b>508,647</b>	<b>508,647</b>

The above deferred trade payables represents interest free unbilled management fees and reimbursable costs payable to the Corporate Manager company. The Company has the unconditional right to defer settlement of the amount of \$508,647 for at least 15 months from 1 July 2019.

#### (b) Borrowings

##### Current

Borrowings - unsecured	-	300,000
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##### Non-current

Borrowings - unsecured	444,791	475,000
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The Company has the unconditional right to defer settlement of the amount of \$444,791 for at least 15 months from 1 July 2019. The borrowings are non-interest bearing.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 13. Issued Capital

Movement in ordinary share capital of the Company during the last two years.

Date	Details	Number of Shares	Issue Price	Amount \$
<b>1 July 2017</b>	<b>Balance</b>	<b>251,472,228</b>		<b>52,325,045</b>
22 March 2018	Issue to acquire tenements	12,000,000	\$0.015	180,000
3 May 2018	Shares issued	105,868,052	\$0.015	1,588,021
3 May 2018	Capital raising costs	-		(122,917)
<b>30 June 2018</b>	<b>Balance</b>	<b>369,340,280</b>		<b>53,970,149</b>
<b>1 July 2018</b>	<b>Balance</b>	<b>369,340,280</b>		<b>53,970,149</b>
1 August 2018	Expiry of options	-		13,700
13 August 2018	Shares issued	2,500,000	\$0.015	37,500
19 September 2018	Shares issued	35,133,326	\$0.015	527,000
	Capital raising costs	-		(50,603)
<b>30 June 2019</b>		<b>406,973,606</b>		<b>54,497,746</b>

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.

### Capital Management

Management controls the capital of the group in order to maintain a suitable debt to equity ratio and to ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.



# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Share Option Reserve

Date	Details	Number of Options	Amount \$
<b>1 July 2017</b>	<b>Balance</b>	<b>112,500,000</b>	<b>10,000</b>
24 January 2018	Options granted	37,000,000	3,700
15 February 2018	Options granted	125,000,000	12,500
20 April 2018	Options granted	8,000,000	34,629
<b>30 June 2018</b>	<b>Balance</b>	<b>282,500,000</b>	<b>60,829</b>
<b>1 July 2018</b>	<b>Balance</b>	<b>282,500,000</b>	<b>60,829</b>
1 August 2018	Options expired	(149,500,000)	(13,700)
20 September 2018	Options granted	110,168,044	5,944
12 October 2018	Options granted	33,333,334	-
<b>30 June 2019</b>	<b>Balance</b>	<b>276,501,378</b>	<b>53,073</b>

### Summary of Options Granted

The following table sets out the number and weighted average exercise price (WAEP) of, and movements in, share options granted during the year or prior year:

	2019 Number	2019 WAEP (cents)	2018 Number	2018 WAEP (cents)
Outstanding at beginning of year	282,500,000	2.5	112,500,000	2.5
Granted during the year	143,501,378	3.0	170,000,000	2.5
Expired during year	(149,500,000)	(2.5)	-	-
Exercised during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>276,501,378</b>	<b>2.3</b>	<b>282,500,000</b>	<b>2.5</b>

As at year-end, there were two classes of options on issue as follows:

- 125,000,000 unlisted options exercisable at 1.5 cents per option at any time up to their expiry date of 1 December 2021.
- 151,501,378 listed options exercisable at 3.0 cents per option at any time up to their expiry date of 31 October 2019.

The remaining weighted average contractual life of options outstanding at year end was 1.28 years.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Accumulated Losses

	Consolidated	
	2019	2018
	\$	\$
Accumulated losses at the beginning of the year	(25,054,487)	(24,469,652)
Profit/(Loss) for year	(13,682,081)	(584,835)
<b>Accumulated losses at the end of the financial year</b>	<b>(38,736,568)</b>	<b>(25,054,487)</b>

### 16. Foreign currency translation reserve

Foreign currency translation reserve at the beginning of the year	(1,770,454)	(1,694,967)
Currency translation differences arising during the year	144,245	(75,487)
<b>Foreign currency translation reserve at the end of the financial year</b>	<b>(1,626,209)</b>	<b>(1,770,454)</b>

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity.

### 17. Cash flow Information

#### Reconciliation to Statement of Cash Flows

		Consolidated	
	Note	2019	2018
		\$	\$
Operating profit/(loss) after income tax:		(14,551,815)	(554,063)
<b>Non-cash flows in loss:</b>			
Depreciation	10	665	14,270
Foreign exchange movements		-	-
Profit on sale of shares		-	(31,429)
Provision for doubtful debts		(43,522)	-
Exploration and evaluation expenditure written off		13,998,311	-
Interest income accrued not received		-	2,314
Gain on disposal of plant & equipment		-	(21,229)
<b>Changes in assets and liabilities:</b>			
(Increase)/decrease in receivables		838	(25,241)
Increase/(decrease) in trade and other payables		(221,370)	235,170
Increase/(decrease) in provisions		12,432	6,229
<b>Net cash flows (used in) operating activities</b>		<b>(804,461)</b>	<b>(373,989)</b>

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Earnings per share

	2019 Number	2018 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	398,875,525	271,905,694
Diluted loss per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share.		
Loss per share - cents	3.65	0.002
Loss per share – cents - diluted	3.65	0.002

### 19. Financial Instruments

#### (a) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

Consolidated Group	Floating Interest Rate		Non-Interest Bearing		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>						
Cash and cash equivalents	-	1,207,263	351,111	-	351,111	1,207,263
Trade and other receivables	-	-	68,955	66,628	68,955	66,628
<b>Total Financial Assets</b>	-	1,207,263	420,066	66,628	420,066	1,273,891
<b>Financial Liabilities:</b>						
Trade and other payables	-	-	(588,249)	(799,054)	(588,249)	(799,054)
Provisions	-	-	(30,986)	-	(30,986)	-
Borrowings	-	-	(444,791)	(775,000)	(444,791)	(775,000)
<b>Total Financial Liabilities</b>	-	-	(1,064,026)	(1,574,054)	(1,064,026)	(1,574,054)
<b>Net Financial Assets</b>	-	1,207,263	(643,960)	(1,507,426)	(643,960)	(300,163)

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Financial Instruments (continued)

#### Reconciliation of Financial Assets to Net Assets

	Consolidated	
	2019	2018
	\$	\$
Net financial assets	(643,960)	(300,163)
Exploration and evaluation expenditure	13,023,225	26,596,664
Plant and equipment	14,696	12,481
	<u>12,393,961</u>	<u>26,308,982</u>

#### (b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at report date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial report.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

#### (c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

#### (d) Financial Risk Management

The Group's financial instruments consist mainly of deposits with recognised banks, investments in bank bills up to 90 days, accounts receivable and accounts payable, and loans to subsidiaries. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The Directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to, through its financial instruments, are the depository banking institution itself, holding the funds, and interest rates. The Group's active exposure to foreign currency is confined to services procured through the Namibian subsidiary. The Group's credit risk is minimal as being an exploration company, no goods are sold, or services provided, for which consideration is claimed.

#### (e) Sensitivity Analysis

Interest Rate Risk, Foreign Currency Risk and Price Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at report date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Financial Instruments (continued)

#### *Interest Rate Sensitivity Analysis*

At 30 June 2019, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as minimal:

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Change in profit:		
- Increase in interest rate by 2%	15,584	-
- Decrease in interest rate by 2%	(15,584)	-
Change in Equity		
- Increase in interest rate by 2%	15,584	-
- Decrease in interest rate by 2%	(15,584)	-

#### *Foreign Currency Risk Sensitivity Analysis*

There is minimal foreign currency risk as insignificant balances of foreign currency are held.

#### (f) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages the risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Financial Instruments (continued)

Consolidated Group	Within 1 year		1 to 5 years		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Financial Liabilities – Due for Payment</b>						
Trade and other payables	(79,602)	(290,407)	(508,647)	(508,647)	(588,249)	(799,054)
Provisions	(30,986)	-	-	-	(30,986)	-
Borrowings	-	(300,000)	(444,791)	(475,000)	(444,791)	(775,000)
<b>Total Expected Outflows</b>	<b>(110,588)</b>	<b>(590,407)</b>	<b>(953,438)</b>	<b>(983,647)</b>	<b>(1,064,026)</b>	<b>(1,574,054)</b>
<b>Financial Assets – Cash Flows Realisable</b>						
Cash and cash equivalents	351,111	1,207,263	-	-	351,111	1,207,263
Trade and other receivables	68,955	66,628	-	-	68,955	66,628
<b>Total anticipated inflows</b>	<b>420,066</b>	<b>1,273,891</b>	<b>-</b>	<b>-</b>	<b>420,066</b>	<b>1,273,891</b>
<b>Net (outflow) / inflow on financial instruments</b>	<b>309,478</b>	<b>683,484</b>	<b>(953,438)</b>	<b>(983,647)</b>	<b>(643,960)</b>	<b>(300,163)</b>

(g) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

The Group is also exposed to securities price risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations.

### 20. Investment in controlled entities

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding %		Book Value of Investment		Contribution to Consolidated Result	
			2019 %	2018 %	2019 \$	2018 \$	2019 \$	2018 \$
Link National Pty Ltd	Australia	Ordinary	100	100	-	8,000,000	-	-
Sabre Resources Namibia (Pty) Ltd	Namibia	Ordinary	70	70	-	-	(17,562)	(49,018)
Starloop Holdings Pty Ltd	Australia	Ordinary	100	100	5,360,000	5,360,000	-	-
Gazania Investments Nine (Pty) Ltd	Namibia	Ordinary	80	80	6,500,000	6,500,000	(48,318)	(42,581)
Sherlock Operations Pty Ltd	Australia	Ordinary	100	100	180,000	180,000	-	-
Hammond Park Pty Ltd	Australia	Ordinary	70	70	179,970	179,970	-	-
Kinetic Metals Pty Ltd	Australia	Ordinary	100	-	43,444	-	-	-

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 21. Related Parties

The Group's related parties include its subsidiaries, key management and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were received or given.

Related Party	Relationship	Nature Of Transaction	Year ended 30 June 2019		Year ended 30 June 2018	
			Transactions	Balance	Transactions	Balance
Sabre Resources Namibia (Pty) Ltd	Subsidiary	Expenses paid	(128,025)	9,726,435	(229,410)	9,598,410
Gazania Investments Nine (Pty) Ltd	Subsidiary	Expenses paid	(42,561)	3,589,561	(37,000)	3,547,000
Sherlock Operations Pty Ltd	Subsidiary	Expenses paid	(131,592)	240,058	(108,466)	108,466
Hammond Park Pty Ltd	Subsidiary	Expenses paid	-	49,669	(49,669)	49,669
Link National Pty Ltd	Subsidiary	Expenses paid	-	200	-	200
Golden Deeps Limited	Common directorship	Geological services income	98,587	-	(9,484)	-
Golden Deeps Limited	Common directorship	Geological services expense	(19,504)	-	-	-
Metals Australia Ltd	Common directorship	Geological services income	23,549	3,008	(67,560)	-
Profit & Resources Management Pty Ltd	Director Related Entity	Payment of director fees	(12,000)	(3,000)	(12,000)	(3,000)

All transactions with Directors are disclosed in Note 7.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 22. Operating Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company is managed on the basis of its development and exploration of the group's mineral interests in the geographical regions of Australia and Namibia.

<b>Segment Performance – June 2019</b>	<b>Namibia</b>	<b>Australia</b>	<b>Total</b>
<b>Revenue</b>			
From external sources	34,977	-	34,977
Interest revenue	2,064	6,840	8,904
<b>Total Group revenue</b>	<b>37,041</b>	<b>6,840</b>	<b>43,881</b>
<b>Segment profit/(loss)</b>			
Management Fees – unrelated parties	-	(189,278)	(189,278)
Corporate overheads - unrelated parties	(109,402)	(254,824)	(364,226)
Exploration and evaluation expenditure written off	(13,998,311)	-	(13,998,311)
<b>Total Group profit/(loss)</b>	<b>(14,107,713)</b>	<b>(444,102)</b>	<b>(14,551,815)</b>
<b>Segment assets</b>	<b>650,089</b>	<b>12,807,898</b>	<b>13,457,987</b>
<b>Segment liabilities</b>	<b>(1,044,368)</b>	<b>(19,658)</b>	<b>(1,064,026)</b>
<b>Segment Performance – June 2018</b>	<b>Namibia</b>	<b>Australia</b>	<b>Total</b>
<b>Revenue</b>			
From external sources	-	-	82,558
Profit on sale of shares	-	-	31,429
Interest revenue	1,428	-	5,005
Profit on sale of assets	-	-	21,229
<b>Total Group revenue</b>	<b>1,428</b>	<b>-</b>	<b>140,221</b>
<b>Segment profit/(loss)</b>	<b>(91,599)</b>	<b>-</b>	<b>(91,599)</b>
Management Fees – unrelated parties			(188,002)
Corporate overheads - unrelated parties			(239,714)
Corporate charges & write backs			(34,748)
<b>Total Group profit/(loss)</b>			<b>(554,063)</b>
<b>Segment assets</b>	<b>26,389,301</b>	<b>288,366</b>	<b>26,677,667</b>
Unallocated - cash, receivables, plant & equipment			1,205,369
<b>Total Group assets</b>			<b>27,883,036</b>
<b>Segment liabilities</b>	<b>9,401</b>	<b>-</b>	<b>9,401</b>
Corporate trade payables	-	-	789,653
Borrowings	-	-	775,000
<b>Total Group liabilities</b>			<b>1,574,054</b>



# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Commitments

#### (i) Mining Tenements

The Company's main focus is the highly prospective Ongava and Otava Projects in Namibia. There are no formal exploration commitments specified by the Namibian Ministry of Mining and Energy.

The Company has a formal exploration commitment of \$296,000 per annum on its Sherlock Bay tenements. There are no formal exploration commitments in respect of any other tenements.

#### (ii) Services Agreement

The Company has an agreement with a service company for the provision of services at \$191,589 (excluding GST) per annum plus CPI. Charges are at commercial terms in accordance with the agreement entered into on 28 May 2015 for renewable one year periods.

### 24. Parent Entity Information

The following details information related to the parent entity, Sabre Resources Ltd, at 30 June 2019. The information presented here has been prepared using consistent accounting policies as shown in note 2.

	Parent Entity	
	2019	2018
	\$	\$
<b>ASSETS</b>		
Current assets	270,179	1,205,239
Non-current assets	9,295,924	11,903,721
<b>TOTAL ASSETS</b>	<b>9,566,103</b>	<b>13,108,960</b>
<b>LIABILITIES</b>		
Current liabilities	(90,930)	(581,006)
Non-current liabilities	(444,791)	(983,647)
<b>TOTAL LIABILITIES</b>	<b>(535,721)</b>	<b>(1,564,653)</b>
<b>EQUITY</b>		
Issued capital	54,497,746	53,970,149
Share option reserve	53,073	60,829
Accumulated losses	(45,520,437)	(42,486,671)
<b>TOTAL EQUITY</b>	<b>9,030,382</b>	<b>11,544,307</b>
<b>FINANCIAL PERFORMANCE</b>		
(Loss) for the year	(444,102)	(728,874)
<b>TOTAL COMPREHENSIVE (LOSS)</b>	<b>(444,102)</b>	<b>(728,874)</b>

No guarantees have been entered into by the parent entity on behalf of its subsidiary.

No contractual commitments by the parent company exist other than that referred to in Note 23.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 25. Contingent Liabilities

In addition to the shares issued to the vendor of Namibian tenement number EPL 3540, a further 25,000,000 shares will be issued on achieving an inferred JORC resource of 1 million tonnes at a grade of 2% copper; (or the metal equivalent being 20,000 tonnes copper metal) from the Project and 5,000,000 shares on achieving an inferred JORC resource of 5 million tonnes at a grade of 3% copper; (or the metal equivalent being 30,000 tonnes copper metal)

No other contingent liability exists for termination benefits under service agreements with directors or persons who take part in the management of the company.

### 26. Subsequent Events

On 2 August 2019, the Company announced that it had 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). The acquisition being subject to due diligence and shareholder approval, which as at the date of this report, has not been finalised. The key terms of the acquisition are as follows:

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

On 2 August 2019, the Company further announced that it had 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 share placement is to 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). The Tranche 1 shares were issued on 2 August 2019 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. All shares have been quoted on the ASX. 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 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 Company will apply to the ASX for quotation of the 233,333,333 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 RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

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### 26. Subsequent Events (continued)

On 15 August 2019, the Company announced that it had entered into a binding Share Sale Agreement with Scarce Minerals Pty Ltd (Scarce Minerals) to acquire a 100% interest in Scarce Minerals, which holds the Beacon Gold Project (ELA 57/1136). The acquisition being subject to due diligence and shareholder approval, which as at the date of this report, has not been finalised. The key terms of the acquisition are as follows:

- The Company will issue the vendors of Scarce Minerals with 6,000,000 fully paid ordinary shares, subject to shareholder approval; and
- The Company will issue the vendors of Scarce Minerals with 6,000,000 options, with each option having an exercise price of \$0.008 and an expiry date of 30 September 2022, subject to shareholder approval.

On 15 August 2019, the Company further announced that it had 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 share placement is to be completed as follows:

- The Company will issue 135,000,000 shares at \$0.004 per share to raise \$540,000 (before costs). Participants will also receive five (5) free attaching options for each four (4) shares subscribed under the placement exercisable at \$0.008 per share at any time up to 30 September 2022. The shares and options will be issued subject to receipt of funds and following shareholder approval.

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.

The Company intends to hold a General Meeting on 30 October 2019 at which it will seek shareholder approval for the issue of securities outlined above.

No matters or circumstances have arisen since the end of the financial year, except as reported in the following paragraphs, which significantly affect, or could significantly affect, the operations of the consolidated group, the results of these operations, or the state of affairs of the consolidated group in future years.

Apart from the comments in the succeeding paragraphs, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of these operations, or the state of affairs of the consolidated group in future years.

# SABRE RESOURCES LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Prior Period Adjustment

The restatement of the 30 June 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 \$
<b>30 June 2018</b>			
Foreign currency translation reserve	(2,360,605)	590,151	(1,770,454)
Accumulated losses	(25,361,421)	306,934	(25,054,487)
Non-controlling interest	-	(897,085)	(897,085)
<b>30 June 2017</b>			
Foreign currency translation reserve	(2,259,956)	564,989	(1,694,967)
Accumulated losses	(24,807,358)	337,706	(24,469,652)
Non-controlling interest	-	(902,695)	(902,695)

# SABRE RESOURCES LTD

## DIRECTORS' DECLARATION

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1. In the opinion of the Directors of Sabre Resources Limited (the "Company"):

- (a) the financial statements and notes set out on pages 24 to 58, and the Remuneration disclosures that are contained in pages 17 to 18 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - (iii) complying with International Financial Reporting Standards as disclosed in note 2.
- (b) the remuneration disclosures that are contained in pages 17 to 18 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the Directors:



Michael Scivolo  
DIRECTOR

Dated 26th September 2019  
Perth, Western Australia

**Crowe Perth**

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[www.crowe.com.au](http://www.crowe.com.au)**AUDITOR'S INDEPENDENCE DECLARATION**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Sabre Resources Limited for the year ended 30 June 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 audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

**Crowe Perth****Sean McGurk**

Partner

Signed at Perth, 26 September 2019

*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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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SABRE RESOURCES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL REPORT

### Opinion

We have audited the financial report of Sabre Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements comprising a summary of significant accounting policies and the Director's Declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the Group's financial position at 30 June 2019 and of its financial performance for the period then ended; and
- (b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Regarding Going Concern

We draw attention to Note 2 (t) in the financial report, which indicates that the Group incurred a net loss after tax of \$14,551,815 and had net cash used in operating activities of \$804,461 for the year ended 30 June 2019, and as of that date. As stated in Note 2(t) these conditions, along with other matters set forth in Note 2 (t), indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not further modified in respect of this matter.

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Our procedures in relation to going concern included, but were not limited to:

- inquiring of management and the directors as to knowledge of events and conditions that may impact the assessment on the Group's ability to continue as a going concern;
- challenging the assumptions contained in management's forecast in relation to the Group's ability to continue as a going concern;
- comparing the cash flow forecasts with the Board approved budget; and
- assessing the adequacy of the disclosures related to going concern in Note 2(t)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
<b>Consideration of impairment of capitalised mineral exploration and evaluation expenditure</b>	
<p>Exploration and evaluation (E&amp;E) activity is inherently risky and as such may require the impairment or write-off of the related capitalised costs when the relevant criteria in AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> and the Group's accounting policy are met.</p> <p>There is a risk that certain capitalised E&amp;E costs are neither impaired or written off promptly at the appropriate time, in line with information from, and decisions about E&amp;E activities, and the impairment requirements of AASB 6.</p> <p>Through our detailed risk assessment, which is based on our analysis of the portfolio of E&amp;E assets held by the Group, making reference to the Group's own analysis of the same assets, we identified a significant risk in relation to tenements held in Namibia.</p> <p>In accordance with AASB 6, the carrying value of EPL 3540 and EPL 3542 held in Namibia were required to be assessed for impairment in accordance with AASB 136 <i>Impairment of Assets</i>, to determine whether the carrying value of the asset exceeds the recoverable amount.</p> <p>As a result, the carrying value of EPL 3540 was impaired to \$3,500,000, and EPL 3542 was</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• conducting discussions with management regarding the criteria used in their impairment assessment and ensuring that this was in line with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>;</li> <li>• assessing the competence, capabilities and objectivity of the expert engaged by management to perform this assessment;</li> <li>• evaluating the appropriateness of the valuation methodology selected by the valuer to determine the value of EPL 3540 and EPL 3542 E&amp;E assets to the requirements of AASB 136 <i>Impairment of Assets</i>;</li> <li>• assessed the Group's right to tenure by obtaining and assessing supporting documentation such as license agreements or renewals and any correspondence with relevant government agencies in connection with the renewal process; and</li> <li>• reviewing the appropriateness of the related disclosures within the financial statements.</li> </ul>



Key Audit Matter	How we addressed the Key Audit Matter
<p>impaired to \$9,100,000 resulting in a combined impairment expense of \$13,998,311.</p> <p>The conditions and assessment undertaken in relation to impairment are disclosed in the Group's accounting policy Notes 2(f), Note 3 and Note 11 in the financial report</p> <p>This matter is considered a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the impairment expense to the financial statements of the Group;</li> <li>• The specialised nature of the E&amp;E assets which requires judgement by us to assess the appropriateness of the valuation methodologies and inputs when applying the requirements of AASB 136. The Group has appointed an external valuer to assist in this process; and</li> <li>• corroborate valuation inputs and assumptions</li> </ul>	

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's 2019 Annual Report for the period ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based upon the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors' for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material mis-statement when it exists. Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on the Remuneration Report**

#### ***Opinion on the Remuneration Report***

We have audited the Remuneration Report included in pages 17 and 18 of the directors' report for the period ended 30 June 2019.

In our opinion, the Remuneration Report of Sabre Resources Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

#### ***Responsibilities***

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**Crowe Perth**



**Sean McGurk**  
Partner

Signed at Perth, 26 September 2019

# SABRE RESOURCES LTD

## CORPORATE GOVERNANCE

### INTRODUCTION

Sabre Resources Ltd ACN 003 043 570 (**Sabre** and **Company**) has adopted systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures and additional information about the Company's corporate governance practices is set out on the Company's website at [www.sabresources.com](http://www.sabresources.com)

The Board of Directors of Sabre is responsible for the corporate governance of the Company. In developing its corporate governance policies Sabre has referred to recommendations within the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3<sup>rd</sup> edition (**CGPR**).

The Company's corporate governance practices during the financial year ended 30 June 2019 (**Reporting Period**) are reported below. Where the Company's corporate governance practices follow the CPGR the Board has provided appropriate statements reporting on the adoption of the CPGR. In compliance with the "if not, why not" reporting framework, where the Company's corporate governance practices differ from the relevant CPGR, the Board has explained its reasons for doing so and any alternative practice the Company may have adopted.

### CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
<b>Principle 1: Lay solid foundations for management and oversight.</b>	
1.1 Listed entities should disclose the roles and responsibilities of its Board and management, those expressly reserved to the Board and those delegated to management.	A The Company has formalised and disclosed on its website at <a href="http://sabresources.com">sabresources.com</a> the functions reserved to the Board and those delegated to management within its <i>Corporate Governance Policy</i> .
1.2 Listed entities should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a Director; and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.	A The Company undertakes appropriate checks before appointing a person or putting forward to shareholders a candidate for election or re-election as a Director and provides shareholders with all material information in its possession relevant to a decision on whether to elect or re-elect a Director.
1.3 Listed entities should have written agreements with each Director and senior executive setting out the terms of their appointment.	A The Company has set out the terms of appointment in writing with each Director and senior executive.
1.4 The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with proper functioning of the Board.	A The Company Secretary is accountable directly to the Board, through the Chair, as to the proper functioning of the Board.

Legend: A = Adopted      NA = Not Adopted

# SABRE RESOURCES LTD

## CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
<b>Principle 1: Lay solid foundations for management and oversight (Ctd)</b>	
<p>1.5 Listed entities should:</p> <p>(a) Have a diversity policy which includes requirements for the Board or relevant Board committee to set measurable objectives for achieving gender diversity and to annually assess and disclose the objectives and progress towards their achievement;</p> <p>(b) Disclose that policy or a summary of it; and</p> <p>(c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board (or relevant Board committee) in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>[1] the respective proportions of men and women on the Board, in senior management positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) or</p> <p>[2] if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators" as defined under that Act.</p>	<p>NA The Company has disclosed its <i>Diversity Policy</i> on its website at <a href="http://sabresources.com">sabresources.com</a>. The Company's <i>Diversity Policy</i> does not mandate setting measurable objectives for achieving gender diversity as it is impractical to do so at this time. The proportion of women across the whole organisation, in senior executive positions, and on the Board, as at the date of this statement, is as follows:</p> <ul style="list-style-type: none"> <li>• Whole organisation – 20%</li> <li>• Senior Executive Positions – 0%</li> <li>• Board – 0%</li> </ul> <p>For the purposes of this statement and the Company's gender diversity, "senior executive" means a person who reports directly to the Board or Managing Director and/or who makes or participates in making decisions that could significantly affect the Company's operations.</p>
<p>1.6 Listed entities should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and disclose whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>A The Company's processes for evaluating the performance of the Board and its Directors are disclosed on the Company's website at <a href="http://sabresources.com">sabresources.com</a> in the Company's <i>Corporate Governance Policy</i>.</p>
<p>1.7 Listed entities should have and disclose a process for periodically evaluating the performance of its senior executives; and disclose whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>A The Company's processes for evaluating its Managing Director and key executives are disclosed on the Company's website at <a href="http://sabresources.com">sabresources.com</a> in the Company's <i>Corporate Governance Policy</i>.</p>

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# SABRE RESOURCES LTD

## CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
<b>Principle 2: Structure the Board to add value</b>	
<p>2.1 (a) The Board of a listed entity should have a nomination committee of at least three members (a majority of whom are independent directors) chaired by an independent director and disclose:</p> <ul style="list-style-type: none"> <li>• The committee charter</li> <li>• The committee members; and</li> <li>• As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) If a nomination committee is not established then disclose that fact and the processes employed to address board succession issues, and to ensure the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>NA The Company has a small Board consisting of three Directors. The Board considers it desirable to use the full complement of knowledge, expertise and experience of all its Directors in making decisions and performing the functions usually associated with a Nomination Committee. The Company's <i>Corporate Governance Policy</i> and <i>Diversity Policy</i> disclosed at <a href="http://sabresources.com">sabresources.com</a> outlines processes pertaining to board succession, skills, knowledge, experience, independence and diversity.</p>
<p>2.2 Listed entities should have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	<p>A The Company has disclosed in its <i>Corporate Governance Policy</i> and <i>Diversity Policy</i> at <a href="http://sabresources.com">sabresources.com</a> the mix of skills and diversity the Board currently has and considers desirable in its membership given the Company's stage of development.</p>
<p>2.3 Listed entities should disclose the names of directors considered by the Board to be independent directors, the length of each director's service and, if a director has an interest, position, association or relationship that might cause doubt about the independence of that director, but the Board is of the opinion that it does not compromise the independence of the director, disclose the nature of the interest, position, association or relationship in question and disclose why the Board is of that opinion.</p>	<p>A The three current Directors are considered independent. The Company has disclosed the names of its Directors, their position, relevant interests or associations and their length of service in the Company's 2019 Annual Financial Report.</p>
<p>2.4 A majority of a listed entity's Board should be independent directors.</p>	<p>A The three current Directors are considered independent.</p>

Legend: A = Adopted      NA = Not Adopted

# SABRE RESOURCES LTD

## CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
<b>Principle 2: Structure the Board to add value (Ctd)</b>	
2.5 The Chairperson of a listed entity should be an Independent Director and, in particular, should not be the same person as the CEO of the entity.	A The Chairperson is independent.
2.6 Listed entities should have an induction program for new directors and provide professional development opportunities for directors to develop and maintain the skills and knowledge to perform their role as directors effectively.	A An induction program will be provided to any new directors if and when a new director is appointed. Professional development opportunities are provided to the Directors as and when needed.
<b>Principle 3: Act ethically and responsibly</b>	
3.1 Listed entities should have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it.	A The Company has disclosed its <i>Code of Conduct and Policy for Trading in Company Securities</i> on the Company's website at <a href="http://sabresources.com">sabresources.com</a> .
<b>Principle 4: Safeguard integrity in corporate reporting</b>	
<p>4.1 Listed entities should:</p> <p>(a) Have an audit committee which:</p> <p>(1) Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) Is chaired by an independent director, who is not the chair of the Board, and disclose:</p> <p>(3) The charter of the committee;</p> <p>(4) The relevant qualifications and experience of the members of the committee; and</p> <p>(5) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have an audit committee, disclose that fact and the processes employed to independently verify and safeguard the integrity of its corporate reporting, including the processes.</p>	<p>NA The Company has a small Board consisting of three Directors. At this stage, the Company has not established an Audit Committee and the Board prefers to use the full complement of knowledge, expertise and experience of all Directors in making decisions regarding the Company's audit and the Company's external auditors. All three Directors are financially literate.</p> <p>The Company's external auditors were appointed in 2019. Prior to their appointment, the Board obtained proposals from reputable audit firms and appointed the Company's current auditor after considering their experience with listed exploration companies operating in foreign and domestic jurisdictions, the experience and quality of personnel involved with the Company's audit, their internal quality control measures, their approach and methodology in conducting the audit, references, and awareness of professional requirements within accounting and for the appointment and removal of the external auditor and the rotation of the audit engagement partner, auditing standards including those pertaining to independence, confidentiality and conflicts of interest.</p>

Legend: A = Adopted      NA = Not Adopted



# SABRE RESOURCES LTD

## CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
<b>Principle 4: Safeguard integrity in corporate reporting (Ctd)</b>	
4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	A Prior to approving the financial statements for the full year ended 30 June 2019, Sabre's Board received from the Chief Executive Officer and Chief Financial Officer declarations that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
4.3 Listed entities should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	A In accordance with section 250S of the Corporations Act the external auditor attended the 2018 AGM and the Chair expressly provided the opportunity for shareholders attending the meeting to ask questions relevant to the audit. Had there been any written questions submitted to the auditor (there were none) the Chair would also have ensured the opportunity for the external auditor to answer questions as required under section 250PA of the Corporations Act.
<b>Principle 5: Make timely and balanced disclosure</b>	
5.1 Listed entities should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it.	A The Company has established written policies for complying with continuous disclosure obligations under the ASX Listing Rules which are disclosed within the Company's <i>Disclosure Policy</i> on the Company's website at <a href="http://sabreresources.com">sabreresources.com</a> .
<b>Principle 6: Respect the rights of security holders</b>	
6.1 A listed entity should provide information about itself and its governance via its website.	A The Company provides information about itself and its governance to investors via its website at <a href="http://sabreresources.com">sabreresources.com</a> .

Legend: A = Adopted    NA = Not Adopted



# SABRE RESOURCES LTD

## CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
<b>Principle 6: Respect the rights of security holders (Ctd)</b>	
6.2 Listed entities should design and implement an investor relations program to facilitate effective two-way communication with investors.	A The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's <i>Disclosure Policy</i> and <i>Corporate Governance Policy</i> disclosed on its website at <a href="http://sabresources.com">sabresources.com</a> .
6.3 Listed entities should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	A Refer above – the Company's <i>Corporate Governance Policy</i> and the Company's <i>Disclosure Policy</i> are both published on the Company's website at <a href="http://sabresources.com">sabresources.com</a> .
6.4 Listed entities should provide security holders with the option to receive communications from, and send communications to the entity and its share registry electronically.	A Shareholders are given the option to receive communications from, and send communications to the Company and its share registry electronically.
<b>Principle 7: Recognise and manage risk</b>	
<p>7.1 The listed entity's Board should:</p> <p>(a) Have a committee or committees to oversee risk, each of which:</p> <p>(1) Has at least three members, a majority of whom are independent directors; and</p> <p>(2) Is chaired by an independent director, and disclose:</p> <p>(3) The charter of the committee;</p> <p>(4) The members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework</p>	A Given the size and composition of the current Board it believes that no efficiencies are to be gained by establishing a separate Risk Committee. During the Reporting Period, responsibility for overseeing the Company's risk management rested with the Board. The Company's Risk Management Policy is disclosed within its <i>Corporate Governance Policy</i> on the Company's website at <a href="http://sabresources.com">sabresources.com</a> . During the Reporting Period the full Board reviewed and where necessary amended its risk management and in so doing identified or confirmed business risks, assessed the likelihood and materiality of these risks and developed and implemented measures to mitigate these risks.

Legend: A = Adopted    NA = Not Adopted

# SABRE RESOURCES LTD

## CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
<b>Principle 7: Recognise and manage risk (Ctd)</b>	
7.2 The listed entity's Board or a committee of the Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose, in relation to each reporting period, whether such a review has taken place.	A Refer above.
7.3 Listed entities should disclose if they have an internal audit function, how the function is structured and what role it performs or, if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	NA The Company does not have an internal audit function. Refer above (7.1) for further discussion.
7.4 Listed entities should disclose whether they have any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks	<p>A The Company faces economic, social and environmental risks that are largely inherent to the global and domestic economies, the industry, capital markets and the jurisdictions in which it operates.</p> <p>The Board has considered these risks in relation to a "material exposure threshold", as required under the CPGR, and put in place measures to reduce these risks to tolerable levels and, as defined in CPGR, there does not appear to be "a real possibility that the risk could substantively impact the Company's ability to create or preserve value for security holders ..." in the foreseeable future.</p>
<b>Principle 8: Remunerate fairly and responsibly</b>	
<p>8.1 Listed entities should:</p> <p>(a) Have a remuneration committee which:</p> <p>(1) Has at least three members, a majority of whom are independent directors; and</p> <p>(2) Is chaired by an independent director, and disclose:</p> <p>(3) The charter of the committee;</p> <p>(4) The members of the committee; and</p>	A Given the size and composition of the current Board, it believes that no efficiencies are to be gained by establishing a separate Remuneration Committee. During the Reporting Period the Board followed the Company's Remuneration Policy as disclosed in the Director's Report of the Company's Annual Financial Report for the year ended 30 June 2019. In doing so the Board employed policies and processes designed to ensure equitable and responsible levels and composition of remuneration to Directors and senior executives.

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# SABRE RESOURCES LTD

## CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
<b>Principle 8: Remunerate fairly and responsibly(Ctd)</b>	
<p>(5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives ensuring that such remuneration is appropriate and not excessive.</p>	
<p>8.2 Listed entities should separately disclose their policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives</p>	<p>A During the Reporting Period the Board followed the Company's Remuneration Policy which is separately disclosed in the Director's Report of the Company's Annual Financial Report for the year ended 30 June 2019.</p>
<p>8.3 Listed entities which have an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or a summary of it.</p>	<p>A The Company does not have an equity-based remuneration scheme.</p>

Legend: A = Adopted    NA = Not Adopted

# SABRE RESOURCES LTD

## SHAREHOLDER INFORMATION

Additional information included in accordance with the listing requirements of the Australian Securities Exchange Limited. The information set out below is applicable as at 11 October 2019 unless otherwise stated.

### Capital Structure

The Company currently has issued capital of 475,383,674 fully paid ordinary shares held by 1,435 holders.

The Company has also issued 151,501,378 listed options exercisable at \$0.03 at any time up to their maturity on 31 October 2019, held by 38 holders.

The Company has also issued 125,000,000 unlisted options exercisable at \$0.015 at any time up to their maturity on 1 December 2021, held by 1 holder.

### Voting Rights

The Company's Constitution provides that at a meeting of shareholders, and on a show of hands, each shareholder present in person and each other person present as a proxy, attorney or representative, has one vote. On a poll, each shareholder present in person has one vote for each fully paid ordinary share held by the shareholder and each person as a proxy, attorney or representative of a shareholder has one vote for each fully paid ordinary share held by the shareholder that person represents.

The Company's option holders do not have any voting rights.

### On-Market Buy-Back

The Company does not have an on-market buy-back.

### Securities Subject to Escrow

There are no Company securities subject to voluntary escrow.

### Distribution of Shareholders

(a) The distribution of members and their shareholdings was:

Range of Holding			Holders	Shares Held	Percent
1	-	1,000	299	95,906	0.02%
1,001	-	5,000	266	727,972	0.15%
5,001	-	10,000	120	964,255	0.20%
10,001	-	100,000	346	16,382,141	3.45%
100,001	-	and over	404	457,213,400	96.18%
			<b>1,435</b>	<b>475,383,674</b>	<b>100%</b>

(b) There were 1,435 shareholders with unmarketable parcels of shares based on the closing market price on 11 October 2019.

# SABRE RESOURCES LTD

## SHAREHOLDER INFORMATION

### Substantial Shareholders

The Company has received the requisite notices from substantial shareholders being:

Name	Number of Ordinary Shares	Percentage of Issued Capital
Coniston Pty Ltd	70,700,000	14.87%

### Top 20 Shareholders

The twenty largest shareholders, representing 48.16% of the paid up capital were:

Name of holder	Number	Percent
Coniston Pty Ltd	70,700,000	14.87
National Nominees Limited	23,244,550	4.89
Jamora Nominees Pty Ltd <Kaboonk Discretionary A/C>	22,700,000	4.78
Zero Nominees Pty Ltd	12,000,000	2.52
Yeung Sai Wing	11,000,000	2.31
Mr Bin Lui	10,500,000	2.21
Mr Julian Kwok Yun Cheang	9,060,873	1.91
McNeil Nominees Pty Limited	8,872,728	1.87
Mr Marcus Allan	7,726,478	1.63
Mrs Melissa Pace	7,675,000	1.61
M&K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C>	5,600,000	1.18
Mr Cal Douglas Tostevin	5,000,000	1.05
J P Morgan Nominees Australia Limited	4,950,140	1.04
Mr Akhil Dhanuka	4,949,999	1.04
Merrill Lynch (Australia) Nominees Pty Ltd	4,401,551	0.93
Mr Stephen Michael Baker	4,200,000	0.88
Sorrento Resources Pty Ltd	4,200,000	0.88
Mr Ianaki Semerdziev	4,104,000	0.86
Mr Steffen Rehage	4,066,291	0.86
Mr Luigi Reghelin	4,000,000	0.84
	<b>228,951,610</b>	<b>48.16</b>

# SABRE RESOURCES LTD

## SHAREHOLDER INFORMATION

### Top 20 Option holders

There are two classes of options on issue.

There are 151,501,378 listed options exercisable at \$0.03 at any time up to their maturity on 31 October 2019 on issue. The twenty largest option holders as at 11 October 2019 are:

Name of Holder	Number	Percent
McNeil Nominees Pty Limited	111,289,230	73.46
Jamora Nominees Pty Ltd <Kaboork Discretionary A/C>	12,500,000	8.25
Quid Capital Pty Ltd	4,100,000	2.71
Buckingham Investment Financial Services Pty Ltd <Lennox Head Property A/C>	3,000,000	1.98
Mr Colin Weekes	2,500,000	1.65
Mr Warren James Muir	2,200,000	1.45
Ironside Pty Ltd <The Ironside Super Fund A/C>	2,000,000	1.32
Sport & Health Allied Professionals & Executives (Shape) Pty Ltd	1,266,666	0.84
Kalcon Investments Pty Ltd	1,266,660	0.84
Mr Albert Brocales Bolofer	1,000,000	0.66
The M Grocer Pty Ltd <Gideon Harkham Family A/C>	933,334	0.62
Mr Michael Zollo	917,867	0.61
Mr Paul Raymond Dean + Mrs Beth Marilyn Dean <PBD Super Fund A/C>	800,000	0.53
Mr Nicholas Fabio	688,800	0.45
Trinity Direct Pty Ltd	688,800	0.45
Allekan Exchange Pty Ltd	666,667	0.44
Mr Nguyen Le	666,667	0.44
Giojaz Management Pty Ltd <Giojaz Super Fund No 1 A/C>	666,667	0.44
SO&DCFALSTERSUPER Pty Ltd <\$&D Falster Super Fund A/C>	533,332	0.35
Mr Domenic Antonio Barbaro <Barbaro Family No 2 A/C>	466,667	0.31
<b>Totals</b>	<b>148,151,357</b>	<b>97.79</b>

### Distribution of Option holders \$0.03 Exercise Price Expiring 31 October 2019

(a) The distribution of optionholders and their holdings was:

Range of Holding	Holders	Options Held	Percent
1 - 1,000	1	30	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	5	333,330	0.22%
100,001 and over	32	151,168,018	99.78%
	<b>38</b>	<b>151,501,378</b>	<b>100%</b>

(c) There were 38 option holders with unmarketable parcels of these options.

There are 125,000,000 unlisted options exercisable at \$0.015 at any time up to their maturity on 1 December 2021. Holders of more than 20% in this class are as follows:

Name of Holder	Number	Percent
Corridor Nominees Pty Ltd	125,000,000	100.00
<b>Totals</b>	<b>125,000,000</b>	<b>100.00</b>