

***SABRE RESOURCES LTD  
AND CONTROLLED ENTITIES***

(ACN 008 982 474)

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***Interim Financial Report  
for the Six Month Period Ended  
31 December 2015***

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## CONTENTS

<i>Directors' Report</i>	2
<i>Auditor's Independence Declaration</i>	10
<i>Consolidated Statement of Profit or Loss and Other Comprehensive Income</i>	11
<i>Consolidated Statement of Financial Position</i>	12
<i>Consolidated Statement of Changes in Equity</i>	13
<i>Consolidated Cash Flow Statement</i>	14
<i>Notes to the Financial Statements</i>	15
<i>Directors' Declaration</i>	20
<i>Independent Auditor's Review Report To The Members</i>	21

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**DIRECTORS' REPORT**

Your Directors present their report on consolidated group of Sabre Resources Ltd and controlled entities (the "Group") for the half year ended 31 December 2015.

**1. DIRECTORS**

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

David Chapman (Managing Director)  
Jonathan Downes  
Michael Scivolo  
Paul Mazzoni

**2. REVIEW OF OPERATIONS**

**Financial Result**

The Group incurred a loss after income tax of \$649,467 for the half year period (2014: Loss of \$154,243). As at 31 December 2015 the Group had cash funds of \$466,999 (30 June 2015: \$764,577).

**3. EXPLORATION ACTIVITIES**

Sabre's focus is the exploration and development of the Otavi Mountain Land (OML) copper and base metal project in northern Namibia. The project is located in the Otavi Mountain Land metallogenic province, historically a globally important source of copper, zinc, lead, and vanadium. The OML has a long mining history dating back to the late 1800s and consequently has excellent infrastructure, including roads, power, water, rail to port and the Tsumeb base metal smelter complex, one of only five operating copper smelters in Africa.

**3.1 Zinc-lead-silver projects**

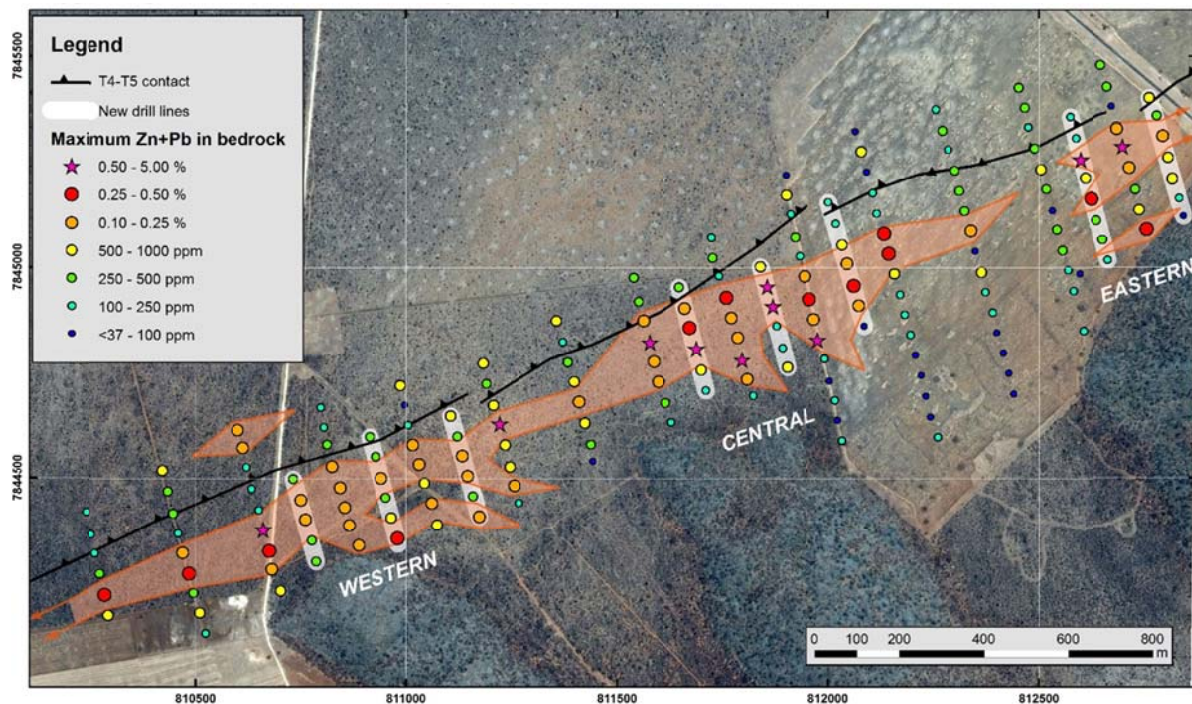
**3.1.1 Toggenburg Zn-Pb-Ag prospect**

The Toggenburg prospect is located along strike from Sabre's Border zinc-lead-silver deposit and is interpreted to be controlled by the same structures as Border. The Toggenburg prospect measures over 2.8 km long and up to 250 m wide, with maximum combined zinc and lead values in excess of 2.9 %. The Toggenburg anomalies remain open to both the east and the west (Figure 1).

The anomalies defined at Toggenburg 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. The JORC 2012 Inferred Resource at Border is 16.0 Mt @ 1.53 % Zn, 0.59 % Pb and 4.76 g/t Ag.

During the half-year, further shallow reverse circulation (RC) drilling at Toggenburg confirmed the high-grade anomalous zones identified by earlier drilling. An additional 51 drillholes averaging less than 5 m deep were drilled at 3 locations (western, central, and eastern, Figure 1) along the strike length of the prospect. Extensive geochemical anomalies are defined by a total of 197 shallow drill holes at Toggenburg over an area measuring up to 2,800 x 750 metres.

With near-surface oxidation effects expected to subdue responses, percentage-grade results within the top 2 metres of bedrock (generally within 5 metres of surface) continue to highlight the potential of Toggenburg. Values peaked at 1.10 % Zn+Pb (0.73 % Zn and 0.37 % Pb) in the newly collected samples. Several locations have been defined for deeper drilling that will test for the depth extents of the Toggenburg mineralisation.



**Figure 1** – Top of bedrock maximum zinc plus lead values over the Toggenburg project area. Orange lines outline the 0.10 % (1000 ppm) Zn+Pb contour, which at the Border deposit defines the distribution of zinc and lead sulphide mineralisation at depth. New drilling is highlighted by white bands and shows continuity of mineralisation in the subsurface. Note that the mineralisation is open to the east and west.

Based on the geochemical distributions observed in the drilling at Toggenburg, four drill hole sites were identified for a series of 100 m deep reverse circulation drillholes which are designed to test the down-dip extent of zinc and lead mineralisation at Toggenburg. It is expected that, like the Border deposit to the west, mineralisation will dip moderately to steeply to the north-northwest, parallel to the host dolomite sequence.

The sites were cleared and preparations made for deeper drilling, which will commence on renewal of the licence and the cessation of the wet season

High resolution geological mapping was completed at and around Toggenburg. Although completely obscured by cover sediments, outcrops in the vicinity of Toggenburg were analysed in detail to detect and define distal effects on country rocks by the mineralising event at Toggenburg. It is expected that the information gathered will be useful in future targeting of the mineralisation.

### 3.1.2 Auros Zn-Pb-Ag prospect

Sabre's regional soil sampling programs have identified significant zinc-lead anomalism in the Auros-Nageib-Wolkenhauben area. By collecting over 5,000 samples throughout the mountainous area, the Auros zinc-lead anomaly has been defined over 300 hectares, measuring over 2.5 km by 5.0 km (Figure 2).

The Auros anomaly, which is defined using a 0.1% Zn+Pb cutoff (as at Toggenburg and other prospects), contains numerous highs within its extent, with values commonly in the percentage range. Values peak at 8.25 % Zn+Pb (6.30 % Zn and 1.95 % Pb – determined by portable XRF) near the historic Nageib workings, but numerous percentage-grade results were retrieved from 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 brecciate and disseminated sphalerite and galena mineralisation (Figure 3).



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. Initial impressions from field work are that the Auros area mineralisation shows similarities to zinc-lead mineralisation at Driehoek, which is located along strike around 19 km to the east. However, Auros is much larger in extent than the Driehoek group of deposits, prospects, and occurrences.

More work will be required to fully assess this interesting new area.

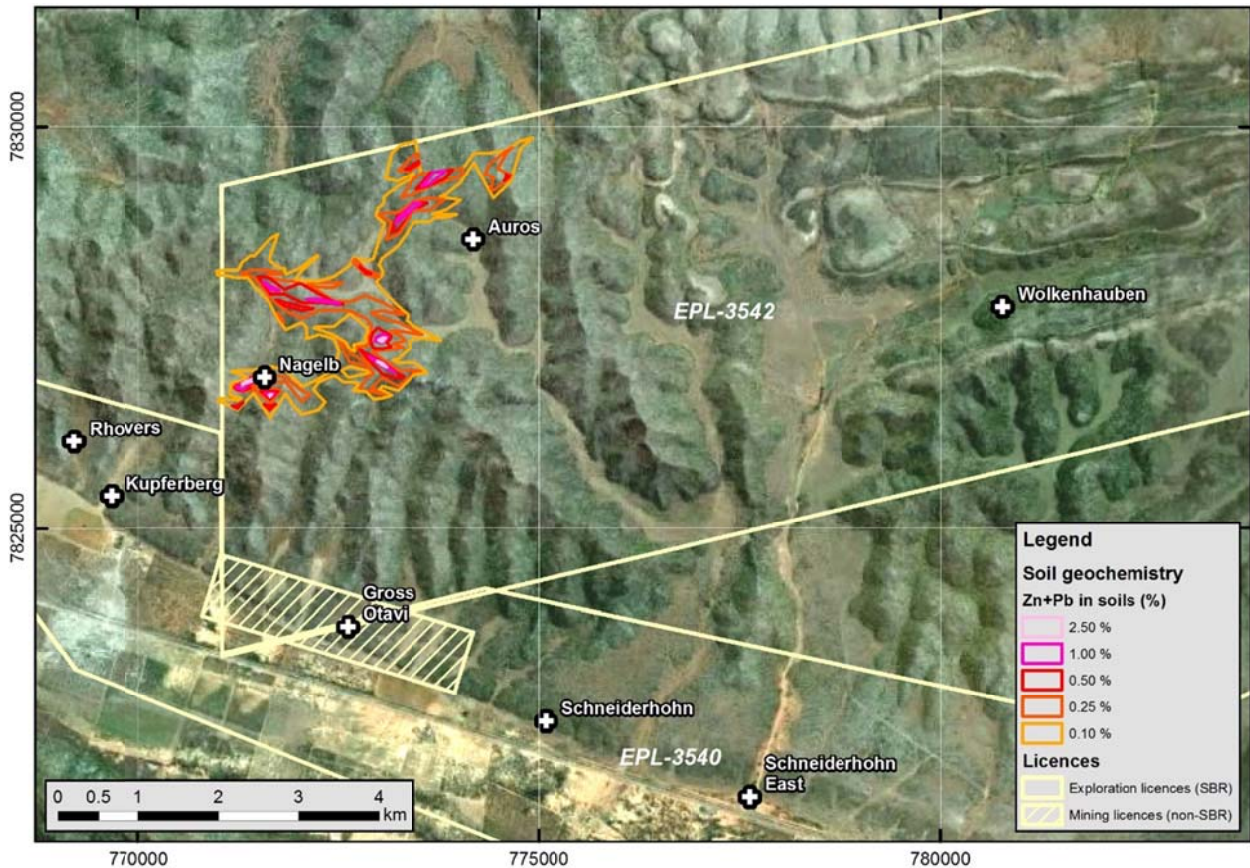


Figure 2 – The Auros Zinc-Lead anomaly



Figure 3 – Outcropping disseminated galena (dark grey) and sphalerite (brown-grey) mineralisation with secondary zinc oxides (brown) in the Auros area.



### 3.2 Copper projects

High resolution geological mapping was completed at the Guchab South copper prospect, and is underway at the Kaskara copper-lead-zinc-vanadium prospect.

#### 3.2.1 Guchab South Cu-Ag prospect

At Guchab South, late-stage copper bearing structures have been identified in outcrop (Figure 4) that are considered to be the conduits (or their extensions) for copper mineralising fluids. These structures constitute a swarm of ENE-trending faults that dive under cover and beneath the shale-dolomite contact.

Several drill hole sites have been identified and preparations made for drilling. Like at Toggenburg, drilling will not commence until the licences are renewed.

Additionally, work is continuing on refining the detailed parameters for the high-powered EM survey proposed for the Guchab South area. Features at Guchab South, such as the conductive Kombat Shale overlying the potential host dolomite sequence, as well as the highly conductive railway line, can complicate or obscure the electrical response of possible sulphide mineralisation. Modelling is continuing to ensure the appropriate technique is used.



**Figure 4** – Copper and manganese staining on silicified dolomite within an ENE-trending shear zone on the northern margin of the Guchab South prospect.

#### 3.2.2 Guchab Cu-Ag Mining Centre

A new geochemical survey is underway over the Guchab Mining Centre. A series of like samples has been collected at 250 m intervals in a line running northward from the Otavi Valley, over the mining centre and to the Hoba Valley in the north. The stable isotope values of these samples will be measured in an effort to define the hydrothermal footprint of the copper mineralisation at and around Guchab. Use of this technique in copper and gold deposits elsewhere has defined distinct haloes to mineralisation that have resulted in further discoveries.

This is very much a trial program as the technique has not been used previously in the Otavi Mountain Land. If successful, further samples will be taken with the intention of defining haloes to, and therefore vectors to, mineralisation at Guchab.

### 3.3 Historic regional data archives

Sabre reached an agreement with Weatherly plc to access historic archives at the Tsumeb mine site. The archives contain historic data and drill core generated during decades of exploration by Tsumeb Corporation Limited (TCL) throughout the 20th Century. TCL explored the entirety of the OML at various times and to varying degrees.

During the reporting period, all data was retrieved and all relevant drill cores photographed and documented. Work is continuing to fully catalogue and synthesise the retrieved data.

### 3.4 Further targeting for copper, zinc, and lead projects

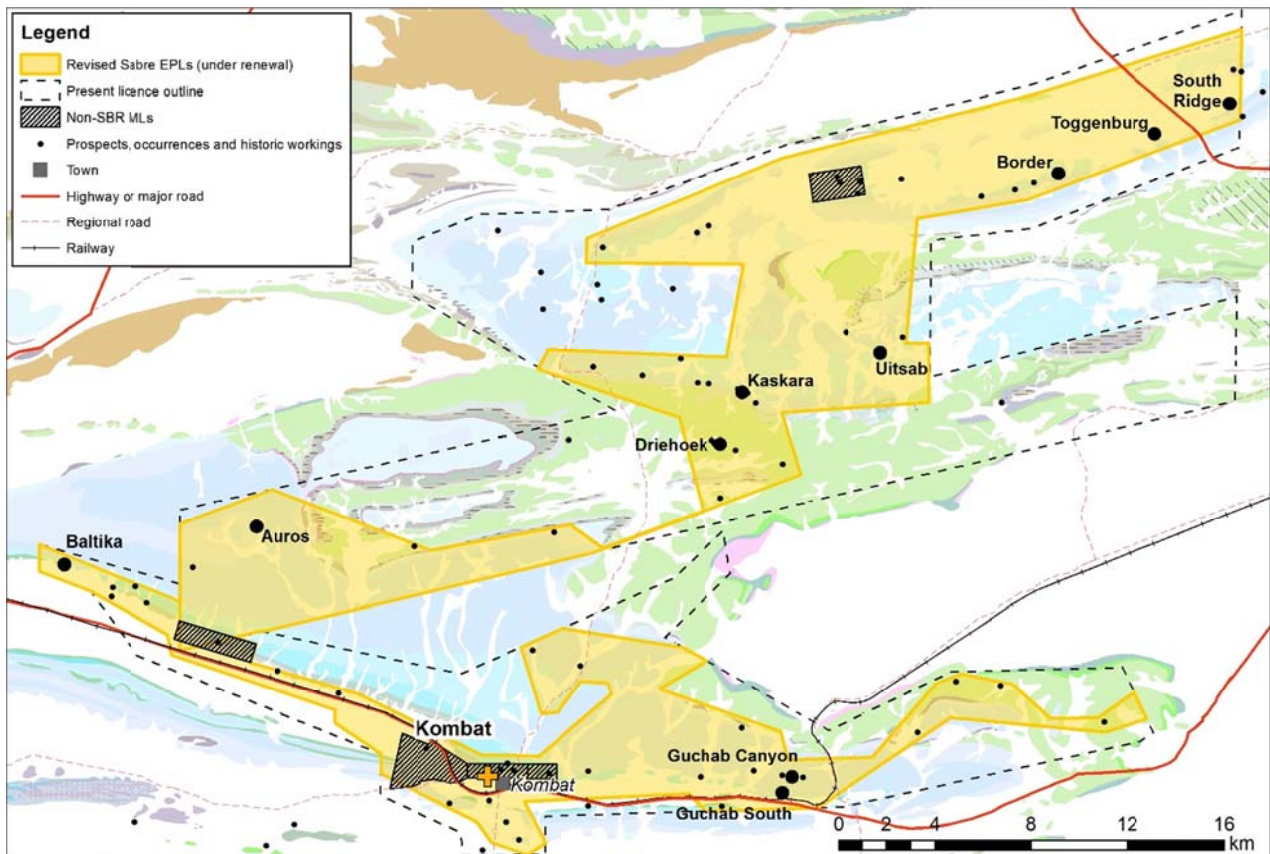
Detailed interrogation of geophysical and other remotely sensed datasets continues throughout the licence areas. Several new zinc and lead targets have been identified and will be ranked on completion of the interpretation.

### 3.5 Review of expenditure

During the quarter, a review of expenditure in both Australia and Namibia was completed and the recommendations enacted. This has resulted in significant savings that will enable the Company to preserve funds and progress its projects in a more efficient manner.

### 3.6 Licence renewals

Renewal applications for both EPL-3540 and EPL-3542 were submitted during the reporting period, ahead of the due date. In both cases, a 50% reduction has been applied in accordance with Ministry of Mines and Energy requirements, with all areas of interest to be retained. This includes all prospects that Sabre has worked on, including Guchab, Guchab South, Border, Toggenburg, Kaskara and many other. It also includes the majority of the mineralised trends defined by Sabre throughout the region. Areas relinquished have been largely discounted through the Company's thorough regional soil sampling program and reconnaissance.



**Figure 5** – Proposed 50% reductions (yellow) to the Company's EPLs in the Otavi Mountain Land, as mandated by the Ministry of Mines and Energy. Note that all areas and prospects of interest have been retained. The present licence outlines (dashed lines) remain current until the renewals are granted.

### 3.7 Preparation for Mining Licence Applications

Sabre intends to submit applications for a number of Mining Licences within the forthcoming EPL renewal period (i.e. prior to end October, 2017). Several sites are shortlisted which include the Border Zn-Pb-Ag deposit and the Guchab Cu-Ag deposit, amongst others. The application process requires submission of extensive documentation, including detailed geological maps, environmental reports, resource reports, and scoping studies.

During the quarter, progress was made on the collection and collation of data for the detailed geological maps. Work also commenced on preparation for the environmental reports.

### **3.8 Licence schedule.**

<i>Country</i>	<i>State/Region</i>	<i>Project</i>	<i>Tenement ID</i>	<i>Area (km<sup>2</sup>)</i>	<i>Grant date</i>	<i>Interest</i>
Namibia	Otjozondjupa	Otavi Mountain Land base metals	EPL3540	213.2	30/10/2006	80%
			EPL3542	475.5	30/10/2006	70%

The Namibian government has released for comment a draft New Equitable Economic Empowerment Framework (NEEEF) discussion paper seeking to give Namibian citizens greater opportunities to participate in the economic development of their country. This paper is open for public comment until 29 April, after which time any comments received will be analysed and may be included in any legislation subsequently presented to parliament.

It is not clear at this stage what the final form of the legislation, if enacted, may take and it may have implications for our future activities in Namibia.

**For further information please contact:**

David Chapman, Managing Director  
Phone (08) 9481 7833

Or consult our website:

<http://www.sabresources.com/>

**Competent Person Declaration**

The information in this report that relates to Exploration Results is based on information compiled by David Chapman who is Managing Director of Sabre Resources Ltd, and who is a Member of The Australian Institute of Mining and Metallurgy. Mr Chapman has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Chapman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Forward-Looking Statements**

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Sabre Resources Ltd's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Sabre believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

## **APPENDIX – LICENCE SCHEDULE**

<i>Country</i>	<i>State/Region</i>	<i>Project</i>	<i>Tenement ID</i>	<i>Area (km<sup>2</sup>)</i>	<i>Grant date</i>	<i>Interest</i>
Namibia	Otjozondjupa	Otavi Mountain Land base metals	EPL3540	213.2	30/10/2006	80%
			EPL3542	475.5	30/10/2006	70%



**4. AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on Page 10.

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



**Michael Scivolo**  
**Director**

**Perth, 15 March 2016**

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West Perth WA 6005

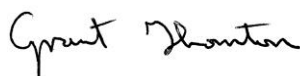
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**Auditor's Independence Declaration  
To The Directors of Sabre Resources Ltd**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Sabre Resources Ltd for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



P W Warr  
Partner - Audit & Assurance

Perth, 15 March 2016

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	<b>Consolidated Half year 2015 \$</b>	<b>Consolidated Half year 2014 \$</b>
<b>Other Revenue</b>		
Interest earned	4,217	35,980
Profit on sale of assets	22,170	-
Cost recovery	198,331	51,697
Change in fair value of investments	5,333	14,667
	<b>230,051</b>	<b>102,344</b>
<b>Expenditure</b>		
Depreciation	21,158	27,198
Exploration costs	249,264	-
Key management personnel remuneration	409,150	168,923
Service fees	78,333	130,763
Occupancy costs	34,104	64,976
Reversal of VAT impairment	-	(225,891)
Other operating costs	87,509	90,618
	<b>879,518</b>	<b>256,587</b>
<b>(Loss) before income tax</b>	<b>(649,467)</b>	<b>(154,243)</b>
Income tax benefit	-	-
<b>(Loss) for the half year</b>	<b>(649,467)</b>	<b>(154,243)</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	(1,674,455)	(439,299)
<b>Total comprehensive (loss) for the half year</b>	<b>(2,323,922)</b>	<b>(593,542)</b>
 Basic and diluted profit/(loss) per share (cents)	 (0.28)	 (0.07)

*The accompanying notes form part of these financial statements*



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

	Consolidated 31 December 2015 \$	30 June 2015 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	466,999	764,577
Trade and other receivables	304,979	469,468
Financial assets	17,333	12,000
<b>TOTAL CURRENT ASSETS</b>	<b>789,311</b>	<b>1,246,045</b>
<b>NON CURRENT ASSETS</b>		
Plant and equipment	90,216	124,986
Exploration and evaluation expenditure	24,481,800	25,939,709
<b>TOTAL NON-CURRENT ASSETS</b>	<b>24,572,016</b>	<b>26,064,695</b>
<b>TOTAL ASSETS</b>	<b>25,361,327</b>	<b>27,310,740</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	238,562	251,053
<b>TOTAL CURRENT LIABILITIES</b>	<b>238,562</b>	<b>251,053</b>
<b>TOTAL LIABILITIES</b>	<b>238,562</b>	<b>251,053</b>
<b>NET ASSETS</b>	<b>25,122,765</b>	<b>27,059,687</b>
<b>EQUITY</b>		
Issued capital	52,325,045	51,936,045
Foreign currency translation reserve	(3,252,491)	(1,576,036)
Accumulated losses	(23,949,789)	(23,300,322)
<b>TOTAL EQUITY</b>	<b>25,122,765</b>	<b>27,059,687</b>

*The accompanying notes form part of these financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2015**

	Ordinary Issued Capital	Share Option Reserve	Foreign Currency Translation Reserve	(Accumulated Losses)	Total
	\$	\$	\$	\$	\$
<b>BALANCE AT 1 JULY 2014</b>	<b>51,936,045</b>	<b>262,500</b>	<b>(2,120,706)</b>	<b>(22,970,497)</b>	<b>27,107,342</b>
Loss attributable for the period	-	-	-	(154,243)	(154,243)
Total other comprehensive income/(loss) for the period	-	-	439,299		439,299
<b>BALANCE AT 31 DECEMBER 2014</b>	<b>51,936,045</b>	<b>262,500</b>	<b>(1,681,407)</b>	<b>(23,124,740)</b>	<b>27,392,398</b>
	Ordinary Issued Capital	Share Option Reserve	Foreign Currency Translation Reserve	(Accumulated Losses)	Total
	\$	\$	\$	\$	\$
<b>BALANCE AT 1 JULY 2015</b>	<b>51,936,045</b>	<b>-</b>	<b>(1,576,036)</b>	<b>(23,300,322)</b>	<b>27,059,687</b>
Loss attributable for the period	-	-	-	(649,467)	(649,467)
Total other comprehensive income/(loss) for the period	-	-	(1,674,455)	-	(1,674,455)
Shares issued	400,000	-	-	-	400,000
Cost of capital raising	(11,000)	-	-	-	(11,000)
<b>BALANCE AT 31 DECEMBER 2015</b>	<b>52,325,045</b>	<b>-</b>	<b>(3,250,491)</b>	<b>(23,949,789)</b>	<b>25,122,765</b>

*The accompanying notes form part of these financial statements.*

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2015**

	Consolidated Half year 2015 \$	Half year 2014 \$
<b>Cash Flows from Operating Activities</b>		
Payments to suppliers and employees	(615,662)	(496,939)
Interest received	4,217	30,844
Other income	198,331	51,697
<i>Net cash (used in) operating activities</i>	(413,114)	(414,398)
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of fixed assets	13,612	-
Payment for exploration expenditure	(261,611)	(629,810)
<i>Net cash (used in) investing activities</i>	(247,999)	(629,810)
<b>Cash Flows from Financing Activities</b>		
Proceeds from the issue of shares	389,000	-
<i>Net cash (used in) financing activities</i>	389,000	-
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>(272,113)</b>	<b>(1,044,208)</b>
<b>Cash and Cash Equivalents at the Beginning of the Half Year</b>	<b>764,577</b>	<b>2,886,962</b>
Effect of exchange rates on cash holdings in foreign currencies	(25,465)	8,007
<b>Cash and Cash Equivalents at the End of Half Year</b>	<b>466 999</b>	<b>1,850,761</b>

*The accompanying notes form part of these financial statements.*



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2015**

**1. BASIS OF PREPARATION OF HALF YEAR REPORT**

Sabre Resources Ltd is a company domiciled in Australia.

This general purpose financial report for the interim half year reporting period ended 31 December 2015 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Sabre Resources Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2015 together with any public announcements made during the half year.

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

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

**Adoption of new and revised accounting standards**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that are relevant to its operations and effective for the current half year reporting period. These include:

- Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part C: Financial Instruments)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
- AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent

The adoption of all of the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has had no effect on the amounts reporting for the current or prior periods.

**Going concern**

The financial report has been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the period, the Group has reported a net loss of \$649,467 (2014: \$154,243) and a net cash outflow from operating activities of \$413,114 (2014: \$414,398).

The Directors consider this to be appropriate for the following reasons:

- the ability to vary the Group's cost structure and in turn the levels of cash outflow dependent on timing of its exploration activities; and
- the demonstrated ability to obtain funding through equity issues as required.

However, the ability of the Group to continue as a going concern will be dependent on the raising of additional capital within twelve months.

The Directors will evaluate a range of funding options including further equity issues to enable it to continue to meet its obligations as and when they fall due. The Directors are confident of obtaining additional funding based on the alternatives being explored, but note that this has not been secured at the date of this report.

Taking into account the current cash reserves of the Group and the points noted above, the Directors are confident the Group has adequate resources to continue in its main business activity for the foreseeable future.

Should the Group not achieve the matters set out above, there is significant uncertainty whether the Group will continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

**2. DIVIDENDS**

No dividends have been paid or proposed during the six month period ended 31 December 2015.

**3. CAPITAL AND LEASING COMMITMENTS AND CONTINGENCIES**

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

**4. FINANCIAL ASSETS**

	<b>December 2015</b>	<b>June 2015</b>
	<b>\$</b>	<b>\$</b>
Investment in listed shares	17,333	12,000

The Company holds shares in a listed entity and these shares are classified as financial assets at fair value through profit and loss. Changes in fair value are included within profit or loss.

## 5. OPERATING SEGMENTS

### Segment Information

#### Identification of reportable segments

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

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

#### Basis of Accounting for purposes of reporting by operating segments

##### *Accounting Policies Adopted*

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

##### *Unallocated items*

Corporate costs are not considered core operations of any segment.

## 6. ISSUED CAPITAL

Date	Details	Number of Shares	Issue Price (cents)	Amount \$
1 July 2014	Balance	226,472,228		51,936,045
31 December 2014	Balance	226,472,228		51,936,045
30 June 2015	Balance	226,472,228		51,936,045
26 October 2015	Share Placement	25,000,000	1.6	400,000
26 October 2015	Capital raising costs	-		(11,000)
31 December 2015	Balance	<u>251,472,228</u>		<u>52,325,045</u>

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.



## 7. SHARE OPTION RESERVE

Date	Details	Number of Options	Amount \$
1 July 2014	Balance	3,750,000	262,500
31 December 2014	Balance	3,750,000	262,500
5 March 2015	Options expired	(3,750,000)	-
5 March 2015	Reserve transferred to accumulated losses	-	(262,500)
30 June 2015	Balance	-	-
31 December 2015	Balance	-	-

## 8. RELATED PARTY TRANSACTIONS

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

Related Party	Relationship	Nature of Transaction	Half Year Ended 31 December 2015 \$	Half Year Ended 31 December 2014 \$
Sabre Resources Namibia (Pty) Ltd	Subsidiary	Advances	137,000	248,000
Gazania Investments Nine (Pty) Ltd	Subsidiary	Advances	20,000	392,000
Metals Australia Ltd	Common Directors	Other Income	-	12,288
Golden Deepes Limited	Common Directors	Other Income	273	-
Blaze International Limited	Common Directors	Other Income	2,182	15,261
Power Resources Limited	Common Directors	Other Income	-	441
Prime Minerals Limited	Common Directors	Other Income	-	713
Oshivela Mining Pty Ltd	Common Directors	Trade receivables	135,839	-

**9. EVENTS SUBSEQUENT TO REPORTING DATE**

No matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, except for the following:

The Namibian government has released for comment a draft New Equitable Economic Empowerment Framework (NEEEF) discussion paper seeking to give Namibian citizens greater opportunities to participate in the economic development of their country. This paper is open for public comment until 29 April, after which time any comments received will be analysed and may be included in any legislation subsequently presented to parliament.

It is not clear at this stage what the final form of the legislation, if enacted, may take and it may have implications for our future activities in Namibia.

***DIRECTORS' DECLARATION***

In the opinion of the Directors of Sabre Resources Ltd:

- (a) the consolidated financial statements and notes, as set out on the accompanying pages, are in accordance with the Corporations Act 2001 including:
  - (i) complying with Australian Accounting Standard, AASB 134: Interim Financial Reporting; and
  - (ii) giving a true and fair view of its financial position as at 31 December 2015 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**Michael Scivolo**  
**Director**

***Perth, dated this fifteenth day of March 2016***

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## **Independent Auditor's Review Report To the Members of Sabre Resources Ltd**

We have reviewed the accompanying half-year financial report of Sabre Resources Ltd ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

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

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Sabre Resources Ltd consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Sabre Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**Independence**

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

**Conclusion**

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

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**Material Uncertainty regarding continuation as a going concern**

Without qualification to the review opinion expressed above, we draw attention to Note 1 to the financial report, which indicates that the consolidated entity incurred a net loss of \$649,467 and net cash outflows from operating activities of \$413,114 during the half year ended 31 December 2015. These conditions, along with other matters as set forth in Note 1, indicate the existence of material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



P W Warr  
Partner - Audit & Assurance

Perth, 15 March 2016