



SABRE RESOURCES LTD

ACN: 003 043 570

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021



SABRE RESOURCES LTD

INDEX

| Contents | Page No. |
|---|---------------------|
| Company Directory | 1 |
| Directors' Report | 2 |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 19 |
| Consolidated Statement of Financial Position | 20 |
| Consolidated Statement of Changes in Equity | 21 |
| Consolidated Statement of Cash Flows | 23 |
| Notes to the Financial Statements | 24 |
| Directors' Declaration | 47 |
| Auditor's Independence Declaration | 48 |
| Independent Audit Report | 49 |
| Shareholder Information | 54 |
| Tenement Information | 57 |

SABRE RESOURCES LTD

COMPANY DIRECTORY

DIRECTORS

Michael Scivolo
Robert Collins
Basil Conti

AUDITOR

Crowe 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

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

The Directors present their report on Sabre Resources Ltd ("the Company") and its controlled entities for the year ended 30 June 2021.

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 ('Sabre' or 'the Company') holds gold and nickel projects in Western Australia (Figure 1) and base metal and vanadium projects in Namibia, southwest Africa (Figure 6). Appendix 1 includes a tabulation of current tenements and details.

The Companies advanced Sherlock Bay Nickel Project in the Pilbara region of Western Australia (Figure 2) includes substantial nickel sulphide resources, with copper and cobalt credits, and has been the subject of previous feasibility studies in 2004, updated in 2007, and an updated mining study in 2018. In light of increasing nickel, copper and cobalt prices an updated (scoping) study has been initiated, planned for completion in the second half of 2021. Subject to the study outcomes, further exploration will be planned, targeting higher-grade nickel sulphides associated with the Sherlock Intrusive.

The Company has expanded its tenement footprint in the Youanmi Terrane of the Yilgarn Block in WA with the acquisition, subject to grant, of the Ninghan gold exploration project in the southwest part of the highly mineralised Murchison Domain (Figure 1). The Ninghan Project lies along strike to the north of the 3.0MozMt Gibson gold project and previous aircore drilling intersected highly anomalous gold mineralisation in areas of cover that will be targeted for Mt Gibson style gold deposits.

The Company also completed an aircore and RC drilling program on its Bonanza tenement near Youanmi in WA (Figure 5), testing structural targets interpreted from detailed aeromagnetics flown early in the reporting year. Significant aircore results of up to 4m at 1.27g/t Ag in hole BZAC0016 have only been partially followed up with RC drilling and the Bonanza and adjoining Beacon projects will be reviewed for further work, including for lithium associated with pegmatite dykes intersected in the drilling.

In Namibia, the Company advanced dense media separation (DMS) testing on its Border zinc-lead-silver resource, producing exceptional recoveries of 92.5% of the lead and 86% of the zinc while upgrading the mineralisation five-fold and reducing mass for further processing to 17%. In March 2021, Sabre engaged diversified global engineering firm, DRA Global, to conduct a two-stage scoping study ('the Study') on the Border lead-zinc deposit. The Study will assess the economic

SABRE RESOURCES LTD

DIRECTORS REPORT

viability of an open pit mining and processing operation at Border. Stage 1 of the Scoping Study is currently being reviewed.

The tenement containing the Border deposit, EPL3542, is currently under renewal application with the Namibian Ministry of Mines and Energy, and further work on the Study and exploration will be subject to renewal and approval of the on-going program. In February 2021, Sabre finalised the sale of its 80% interest in EPL3540 in Namibia to TSX Venture Exchange listed Trigon Metals Inc ('Trigon').

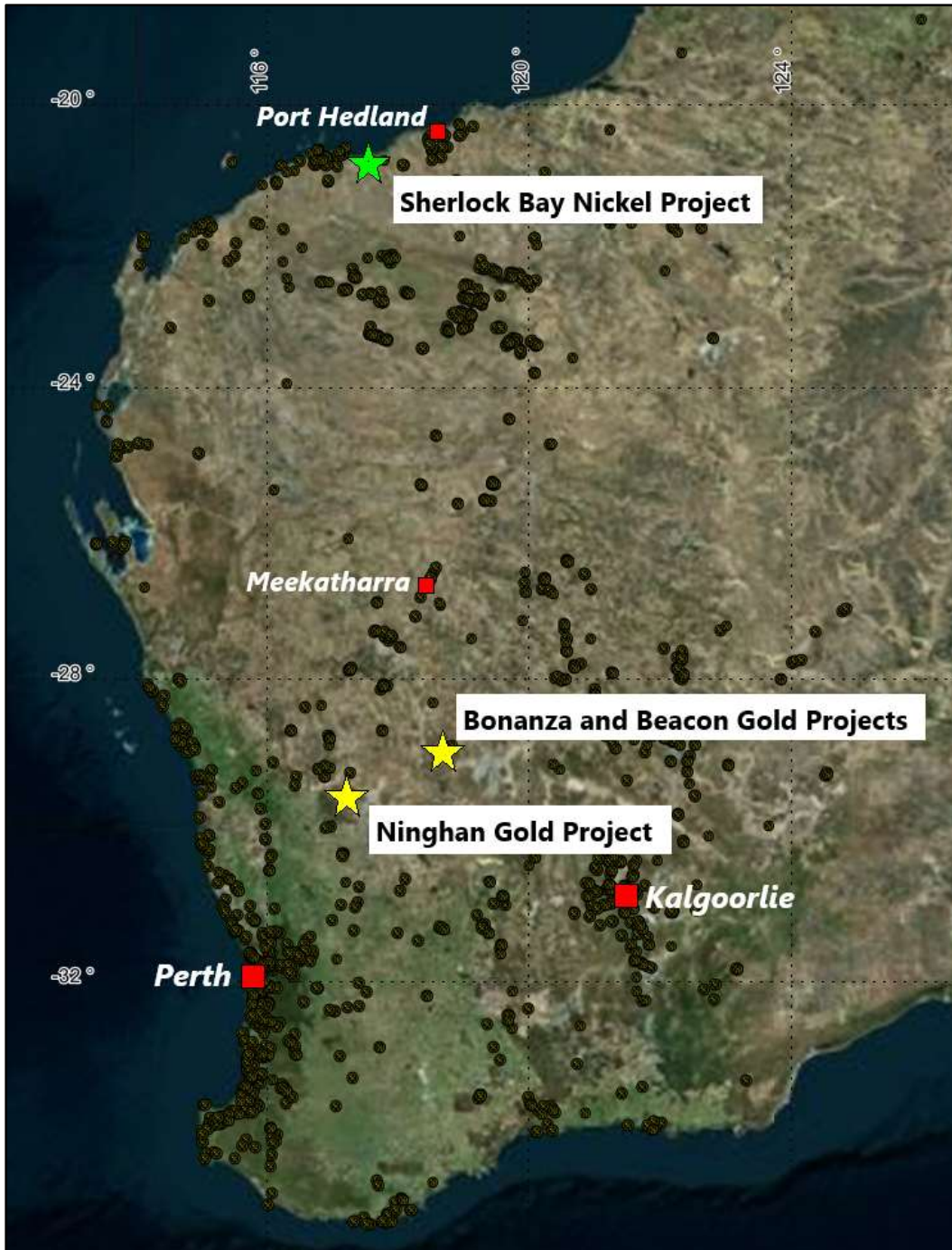


Figure 1: Location of the Sherlock Bay Nickel Project and Gold Projects in Western Australia

SABRE RESOURCES LTD

DIRECTORS REPORT

Sherlock Bay Nickel Project, Western Australia

Sabre Resources holds a 70% interest in the Sherlock Bay Nickel Project on mining lease M47/567, located in the Pilbara region of Western Australia (see Figure 2). The Project is well-located 12 km off Highway 1, with access to critical mining infrastructure. The mining lease contains a current JORC 2012 nickel sulphide Measured, Indicated and Inferred mineral resource of **24.6 million tonnes @ 0.4% nickel (Ni), 0.09% copper (Cu), 0.02% cobalt (Co)**, containing nearly 100,000 tonnes Ni, 21,700 tonnes Cu and 5,400 tonnes Co (ASX:SBR, 12th June 2018; Resource Estimate Update for the Sherlock Bay Nickel-Copper- Cobalt Deposit).

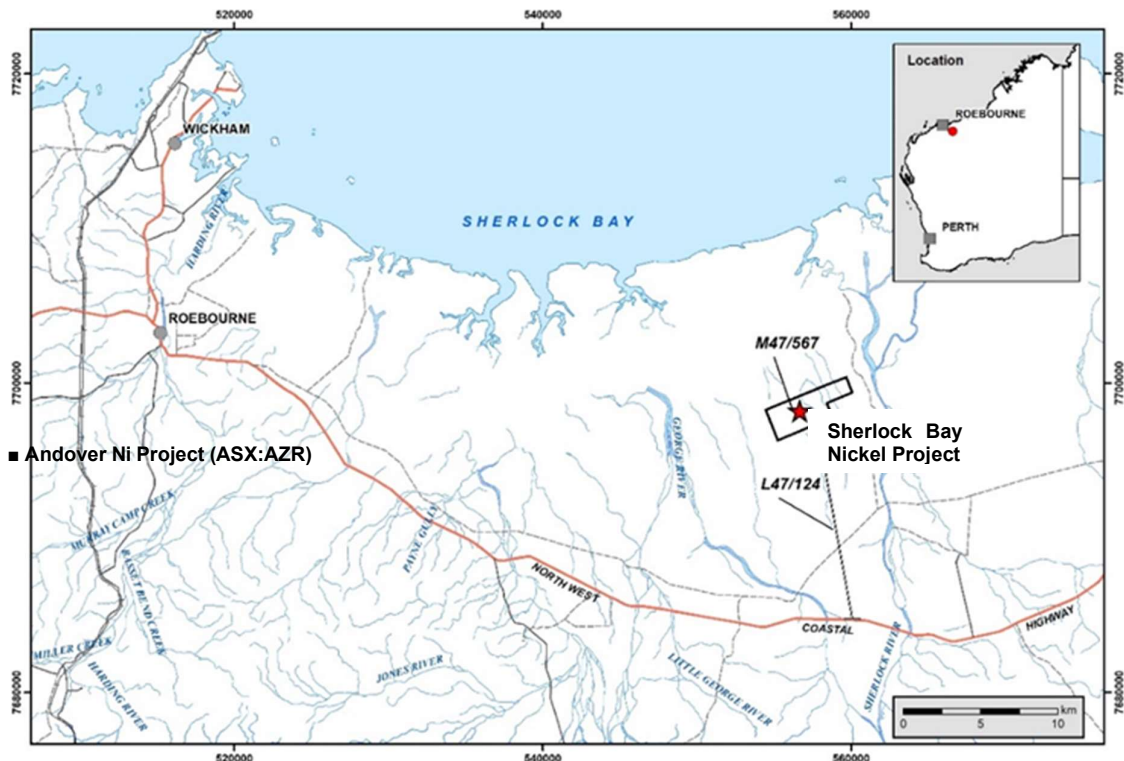


Figure 2: Location map of the Sherlock Bay Project in Western Australia

Sherlock Bay Nickel Deposit is located within the Archaean West Pilbara Granite-Greenstone Belt and hosted by a quartz-magnetite-amphibole-sulphide schist enclosed within an ophiolite sequence. It comprises two main lenticular lodes (termed Discovery and Symonds) over a combined strike length of 1,600m (Figure 3). Higher grade portions of the main zones are up to 30m wide and are continuous down dip in excess of 500m in places.

Stratigraphic, structural, and petrographic studies support the concept that the mineralization is within a fracture zone and the quartz, amphibole, magnetite, and sulphides have been introduced to the country rocks, hosted by fracture-controlled veins. 3D modelling of the drill data indicates that the mineralized zone cuts the bedding at about 15 degrees providing evidence of the fracture zone.

The ultimate source of the nickel and copper mineralization and much of the associated minerals within the mineralized horizon is considered to be the nearby Sherlock mafic-ultramafic Intrusion that has been demonstrated to be sulphur saturated (Outokumpu unpublished reports).

The mechanism by which the nickel, copper, iron, and sulphur were transported and precipitated is not known, although the sulphide mineralisation may have re-mobilised mechanically or through hydrothermal fluid leaching and re-precipitation in the host shear/contact zone.

SABRE RESOURCES LTD

DIRECTORS REPORT

The recent discovery of massive to disseminated nickel sulphides by Azure Minerals Ltd (ASX:AZR, 2nd August 2021; *High-Grade Hits Continue at Andover*), associated with a gabbroic intrusive body located 50km to the west of Sherlock Bay (Figure 2), highlights the potential for locating higher-grade nickel sulphides in the Sherlock Bay area.

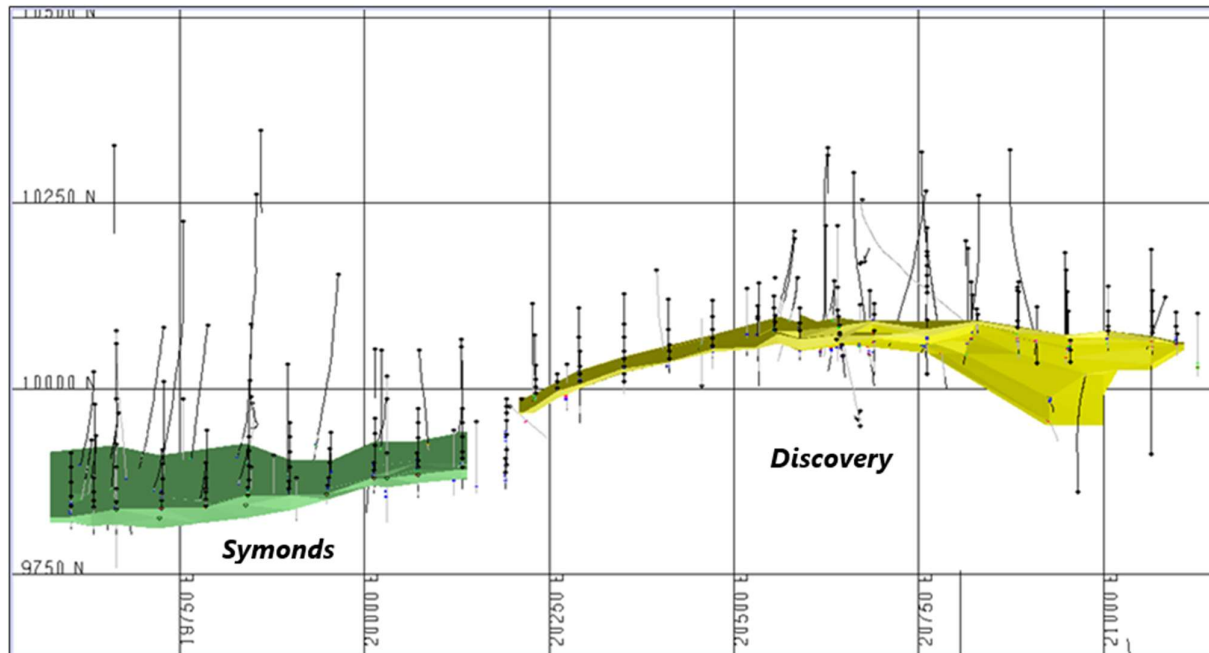


Figure 3: Plan view of Sherlock Bay Mineral Resource limits and drilling

In April 2021 the company commenced a scoping study ('the Study') to determine the economics of the Sherlock Bay Nickel project at current commodity prices. The study is being coordinated by Dr. Natalia Steltsova, a highly regarded metallurgist specializing in nickel processing. This new study was initiated in the light of forecasts on the market penetration of EVs and demand for battery raw materials, including nickel, copper and cobalt through to 2030.

The current Study is building upon previous feasibility study work conducted from 2004 to 2007 by Sherlock Bay Nickel Corporation and a mining study completed by AMC consultants Pty Ltd ('AMC') for the Company in August 2018 (ASX:SBR, 14th August 2018; *Positive Mining Study for the Sherlock Bay Nickel-Copper-Cobalt Deposit*). The AMC mining study included two optimised, economic pit shells and concurrent underground mine developments, with two separate declines, on the Symonds and Discovery nickel sulphide shoots. The outcomes of the mining study demonstrated that a viable operation could be established that, subject to the processing capital and operating costs, may result in an economic project development case given current strong nickel, copper and cobalt prices.

The Study is supported by Strategic Metallurgy Pty Ltd of Perth who have completed the processing flow-sheet design and Lycopodium the process design review. Lycopodium is currently preparing the equipment list and capital and operating cost estimates for the processing flow-sheet, which is based on heap-leaching technology to produce an intermediate nickel (copper-cobalt) product. Final cost inputs based on the AMC mining study and the processing flow-sheet costs estimated by Lycopodium, will be incorporated into the scoping study economic model to determine potential economic viability of the Sherlock Bay nickel project based on the current resource and prevailing, elevated, nickel, copper and cobalt prices.

In parallel with the Study, the geological interpretation of the deposits will be re-examined and potential for extensions and/or higher-grade nickel sulphide bodies in the near mine environment will

SABRE RESOURCES LTD

DIRECTORS REPORT

be targeted. **The Company will also examine regional potential for higher-grade nickel-copper (cobalt) sulphide deposits in the region for possible acquisition.**

WA Gold Projects

Ninghan Project:

The Company has identified potential for significant gold discoveries in the Youanmi (Murchison) terrane of the Yilgarn Block, a region that is considerably under-explored, particularly in covered areas, when compared with the adjacent Eastern Goldfields Terrane.

Sabre Resources wholly owned subsidiary, Power Metals Pty Ltd, has, entered into a sale agreement with Legend Resources Pty Ltd to acquire the **Ninghan Gold Project** exploration licence application 59/2402 upon grant (see ASX:SBR, 21st July 2021, *Acquisition of gold Project in Western Australia*), (Figure 1).

The Ninghan project is located in the southern part of a world-class, gold endowed, structural corridor that runs from Mt Gibson to northeast of Meekatharra (Figure 1). Mt Gibson gold mine is located less than 20km along strike to the south of the Project and has previous production of nearly 0.9Moz's and a recently released resource upgrade of 2.1Moz's (ASX:CMM, 28th July 2021; *Capricorn Acquires 2.1 Million Ounce Mt Gibson Project*), for a total endowment of 3.0Moz (Figure 4).

SABRE RESOURCES LTD

DIRECTORS REPORT

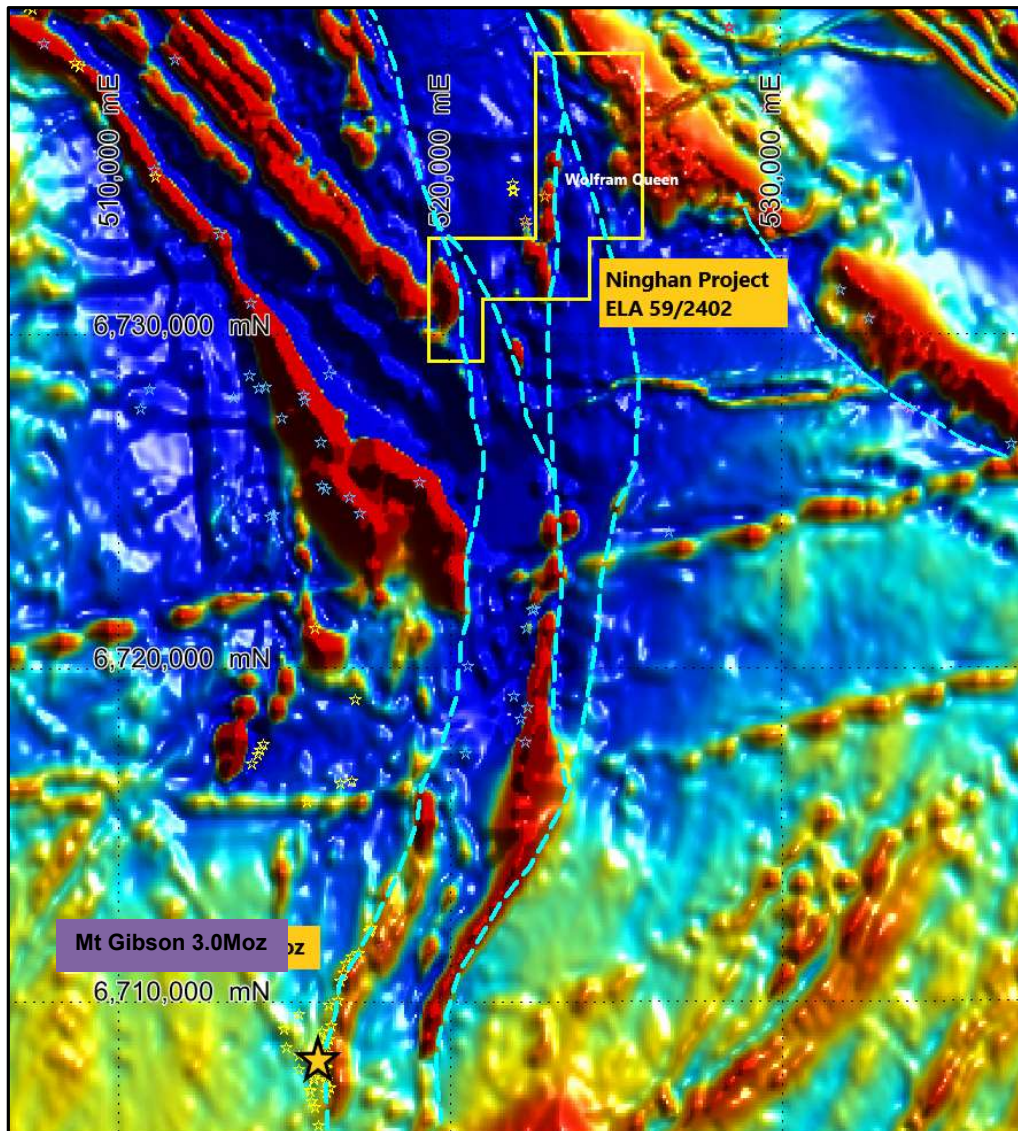


Figure 4: Ninghan gold exploration project on regional magnetics image (TMI, RTP) and Mt Gibson

Previous RAB / aircore drilling on the E59/2402 area has defined anomalous gold mineralisation over a 5km strike-length associated with two, regional scale, north-south trending, structural corridors that link with the Mt Gibson deposit 20km to the south (Figure 4).

Significant historical workings occur at the western edge of the tenement in an area of limited outcrop at the Wolfram Queen gold-tungsten mine, associated with north-northwest trending structures intersected by interpreted cross faults that continue into the targeted areas to the northeast and southwest. Interpretation of regional scale magnetics has highlighted similarities to the 3.0Moz Mt Gibson gold deposits structural setting that, upon grant of the tenement, should be tested with further aircore and potentially RC drilling.

The Company is continuing to focus on acquiring other tenements in the region where interpreted mineralised structural trends have not been adequately tested under-cover.

SABRE RESOURCES LTD

DIRECTORS REPORT

Beacon and Bonanza Gold Projects:

The **Youanmi Gold Project** comprises two granted Exploration Licences, Bonanza (E57/1125) and Beacon (E57/1136), located in the Youanmi Goldfield in WA. The projects are adjacent to Ramelius Resources Ltd's Penny West Project (Figure 5).

The acquisition and interpretation of detailed aeromagnetic data early in the reporting year, highlighted a structurally complex granite-greenstone contact zone containing faults that splay off the major north-south trending Youanmi Shear Zone that controls gold mineralisation at Penny West/Penny North.

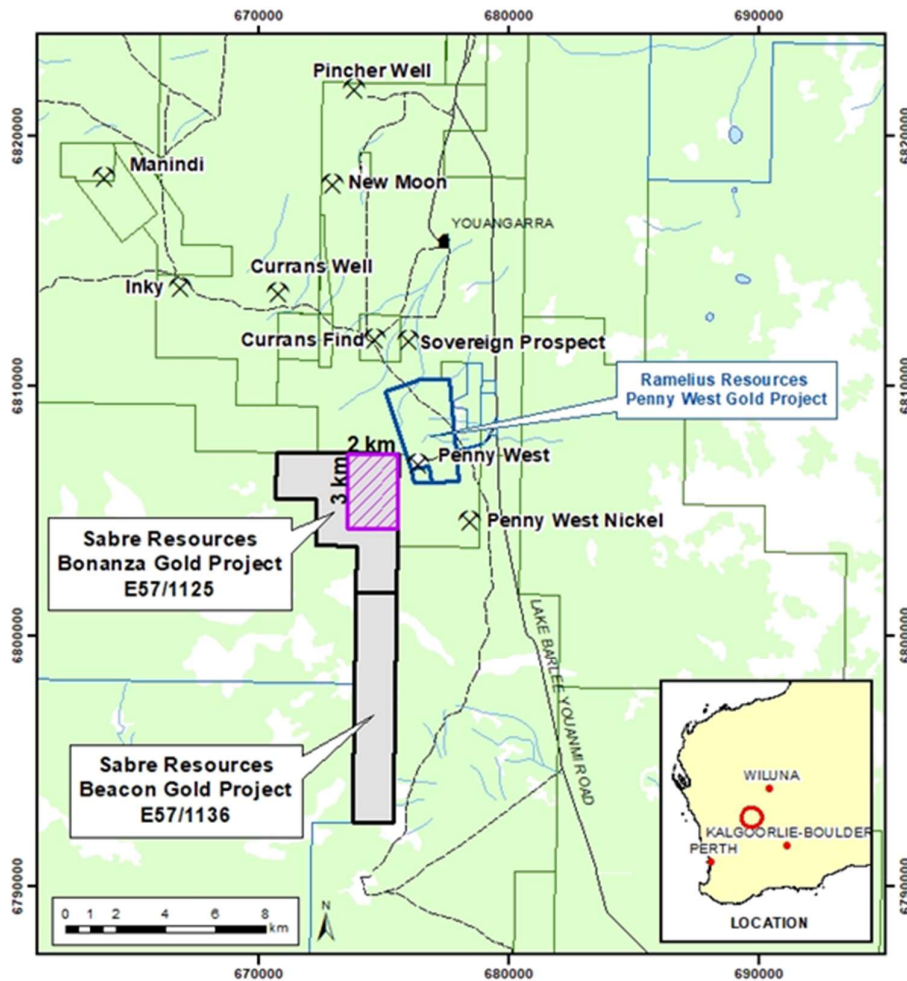


Figure 5: Location plan showing planned aeromagnetic survey area

In November 2020, Sabre completed an Aircore drilling program at the Bonanza Gold Project. The reconnaissance drilling was conducted on four east-west orientated traverses with holes spaced 100m apart. Forty-nine holes were drilled for a total of 1,427m. The drill targets were based on an interpretation of the detailed airborne magnetic survey completed in August 2020. Northeast and northwest trending linear magnetic lows were interpreted to be fault splays from the Youanmi Shear that hosts gold mineralization at Ramelius Resources Ltd's Penny West Gold Mine ~800m to the east. The shallow drilling did not resolve the cause of the linear magnetic features, interpreted to be faults. The best result obtained from the Aircore drilling was 4m at 1.27g/t Ag in hole BZAC0016.

The Aircore program was followed up by Reverse Circulation (RC) drilling designed to test three priority structures generated from the interpretation of the aeromagnetic data at greater depth. The

SABRE RESOURCES LTD

DIRECTORS REPORT

RC drilling was conducted on three east-west orientated traverses with holes spaced 50m to 100m apart. Six holes were drilled to depths of 95m to 120m for a total of 595m. The RC drilling did not return significantly anomalous results.

The holes intersected felsic intrusive rocks of varying composition and varying depths of weathering. This variability is the likely cause of the textural features in the aeromagnetic image. Linear boundaries between rock types are caused by faulting that is represented by minor quartz veining and pegmatite intrusions but no gold was associated with these structures. **The pegmatite intrusions intersected will be re-examined for lithium (and tantalum) potential, analogous to the lithium and tantalum mineralisation intersected by Metals Australia Ltd (ASX:MLS, 24th July 2018; Results of RC Percussion Drilling Program at Manindi Lithium Project), located 10km to the northwest of the Bonanza Project.**

Otavi Mountain Land copper and base metal project, Namibia

Base Metals Projects in Namibia:

Sabre Resources holds EPL 3542 (SBR 70%), which is located in the Otavi Mountain Land, a highly prospective, under-explored area in northern Namibia which has potential for high-value copper-silver mineralisation, stratabound zinc-lead mineralisation and vanadium deposits (see Figure 6).

The main prospect within Sabre's project area is the Border-Toggenburg lead-zinc prospect on EPL3542. The Border deposit includes a JORC 2012 inferred mineral resource of **16.2 million tonnes @ 1.53% zinc (Zn), 0.59% lead (Pb), 4.76 g/t silver (Ag)³**, containing nearly 250,000 tonnes Zn, 95,000 tonnes Pb and 2.5 Moz Ag (ASX:SBR, 16th October 2014, *Border Zinc Deposit Resource Update*).

During the reporting year, Sabre conducted metallurgical testwork on the Border deposit to test the response of the mineralisation to dense media separation ('DMS'). DMS is a cheap and efficient process that becomes more efficient with higher density contrasts, providing greatly reduced mineral processing costs. The beneficiation tests on a bulk sample of Border Project resource material (grading 0.77% Pb and 1.66% Zn), showed exceptional upgrading of the mineralisation, in the DMS step, with 92.5% of the lead and 86% of the zinc recovered to only 17% of the feed mass with a resulting product grade of 12.5% zinc and 6.3% lead. This greatly reduces the amount of material requiring grinding prior to flotation. Grind and float test work demonstrated excellent liberation at a relatively coarse grind size of 150 microns. Final flotation concentrate grades were around 65% lead and 62% zinc with final recoveries of around 87% for lead and 82% for zinc.

SABRE RESOURCES LTD

DIRECTORS REPORT

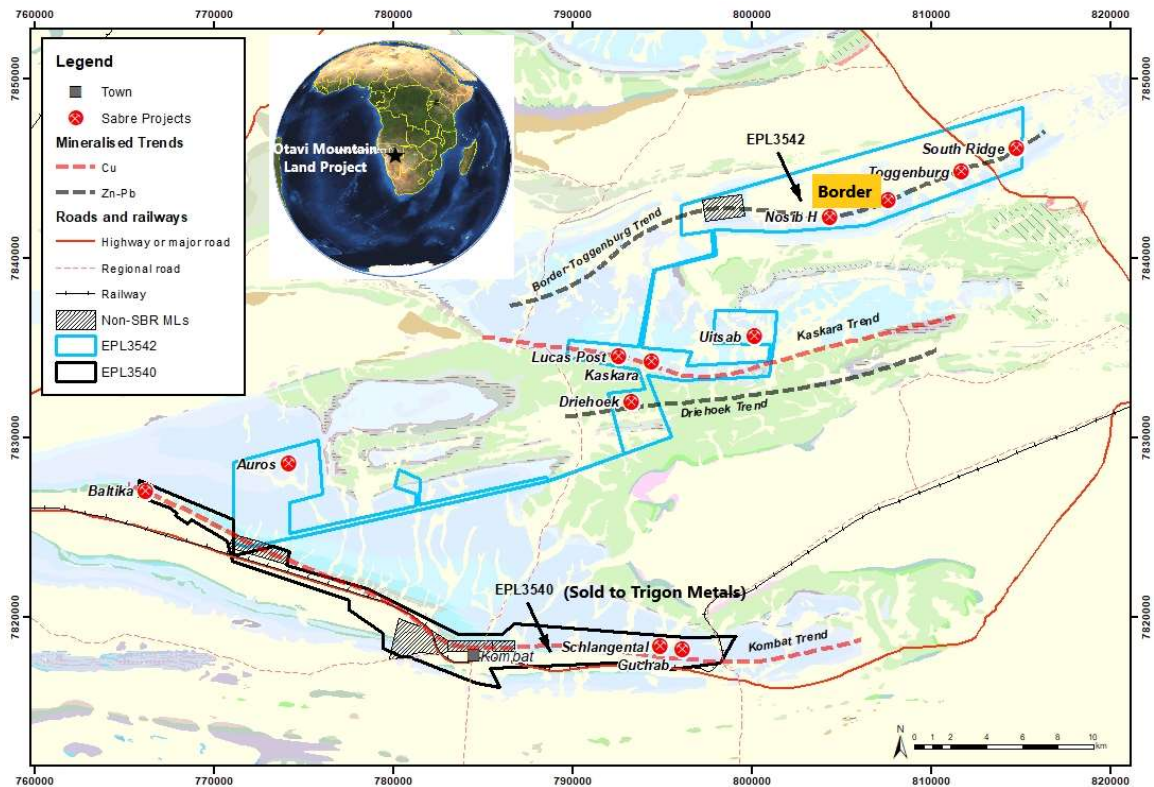


Figure 6: Otavi Mountain Land Tenements EPL3542 in Namibia, Border zinc-lead-silver deposit location

In March 2021, Sabre engaged DRA Global to conduct a scoping study on the Border lead-zinc deposit. DRA Global is a diversified global engineering, project delivery and operations management group headquartered in Perth with an office in South Africa.

The Border Scoping Study will assess the economic viability of an open pit mining operation with ore processed at a centralised processing plant. The plant would utilise heavy-media (DMS) separation to produce a relatively low-volume concentrate for further processing via flotation (targeting production of a concentrate that the metallurgical testing summarised above indicates would grade up to 65% Pb and 62% Zn (with silver credits).

There are a number of other Pb-Zn deposits located within the Sabre tenements that may also feed such a centralised processing facility, including the Driehoek zinc-lead deposit approximately 15km southwest of Border that has previously produced significant shallow drilling intersections that could be converted to a mineral resource with further drilling.

The results of Phase 1 of the scoping study on the Border lead-zinc project have demonstrated the operating cash-flow generation potential of the Border Project and are currently being assessed. Further, more detailed, Phase 2 studies may be carried out, subject to there being sufficient resources identified to support the capital to build a stand-alone processing plant and renewal of EPL3542 which is pending assessment by the Namibian Ministry of Mines and Energy.

SABRE RESOURCES LTD

DIRECTORS REPORT

Appendix 1 – Sabre Resources Ltd, Tenement Schedule as at 30 June 2021

| Tenement ID | Jurisdiction | Project | Interest | Area km ² | Grant Date | Expiry Date | Comments |
|-------------|----------------|--------------|----------|----------------------|------------|-------------|-----------------|
| E57/1125 | Australia - WA | Bonanza | 100% | 18.0 | 10/01/20 | 9/01/25 | |
| E57/1136 | Australia - WA | Beacon | 100% | 15.0 | 24/03/20 | 23/03/25 | |
| M47/0567 | Australia - WA | Sherlock Bay | 70% | 10.0 | 23/09/04 | 22/09/25 | |
| L47/0124 | Australia - WA | Sherlock Bay | 70% | 1.0 | 21/07/04 | 20/07/25 | |
| EPL3542 | Namibia | Otavi | 70% | 116.3 | 30/10/06 | 7/05/21 | Renewal pending |

RESULTS

The operating loss for the financial year after providing for income tax amounted to \$4,179,993 (2020: \$721,146).

FINANCIAL POSITION

The net assets of the Group have increased by \$2,855,759 from \$11,461,565 at 30 June 2020 to \$14,317,324 at 30 June 2021.

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, CHIEF EXECUTIVE OFFICER 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, Golden Deeps Limited and Blina Minerals NL.

(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

SABRE RESOURCES LTD

DIRECTORS REPORT

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 Chief Executive Officer during the financial year:-

(i) Jon Dugdale FAusIMM (appointed 1 June 2021)

Mr Dugdale is a very well credentialed geologist and brings over 30 years of experience in the resources sector to Sabre Resources, including a strong track record of discovery, promotion and capital raising.

Mr Dugdale spent the first 20+ years of his career with WMC and then MPI Mines and was involved in major discovery programs at the St Ives and Agnew Gold projects in WA and with MPI, the exploration and development of several discoveries made by the MPI exploration team, including Silver Swan nickel deposit in Western Australia and direct involvement in the >1Moz Golden Gift discovery in Western Victoria.

The last 10+ years Mr Dugdale has spent time as a Fund Manager with Lion Selection Group then as Managing Director of several ASX listed companies, directly involved with the promotion and raising of over \$70 million of capital to advance exploration and complete pre-feasibility studies into nickel and gold projects in the Philippines.

c) 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.

SABRE RESOURCES LTD

DIRECTORS REPORT

REMUNERATION REPORT (AUDITED)

Details of Key Management Personnel (KMP) as at 30 June 2021 were:

| Key Management Personnel | Position |
|--------------------------|-------------------------|
| M Scivolo | Non-Executive Director |
| R Collins | Non-Executive Director |
| B Conti | Non-Executive Director |
| J Dugdale | Chief Executive Officer |

All directors were in office the entire year. The Chief Executive Officer was appointed 1 June 2021. There are no committees of directors.

KMP Remuneration

2021

| Key Management Personnel | Short-term Benefits | | Superannuation | Share-based | Total | Percentage of remuneration paid in Equity |
|--------------------------|---------------------|----------------------------|----------------|-------------|---------------|---|
| | Director's Fees | Salaries & Consulting Fees | | Options | | |
| | \$ | \$ | \$ | \$ | \$ | % |
| M Scivolo | 12,000 | - | 1,140 | - | 13,140 | - |
| R Collins | 12,000 | - | - | - | 12,000 | - |
| B Conti | 12,000 | - | 1,140 | - | 13,140 | - |
| J Dugdale ¹ | - | - | - | - | - | - |
| | 36,000 | - | 2,280 | - | 38,280 | - |

¹ Mr Jon Dugdale was appointed as the Company's Chief Executive Officer without:

- Sabre Resources and Mr Dugdale entering into an employment, service or consultancy agreement with Sabre Resources, or a child entity of Sabre Resources; or
- Sabre Resources and Mr Dugdale entering into any other agreement.

The services of Mr Dugdale to Sabre Resources is governed by a Services Agreement between Sabre Resources and Corporate Resource Services Pty Ltd ("CRS"), which provides the services of Mr Dugdale to Sabre Resources.

Mr Dugdale is not being paid by Sabre Resources in his capacity as the Company's Chief Executive Officer. The remuneration of Mr Dugdale relating to Sabre Resources is paid by CRS, which in turn on charges the remuneration paid to Mr Dugdale to Sabre Resources at cost without any mark up or profit.

SABRE RESOURCES LTD

DIRECTORS REPORT

REMUNERATION REPORT (AUDITED) (continued)

| Key Management Personnel | 2020 | | | | | Percentage of remuneration paid in Equity |
|--------------------------|---------------------|----------------------------|----------------|---------------------|---------------|---|
| | Short-term Benefits | | Superannuation | Share-based Payment | Total | |
| | Director's Fees | Salaries & Consulting Fees | | | | |
| | \$ | \$ | \$ | \$ | \$ | |
| M Scivolo | 12,000 | - | 1,140 | - | 13,140 | - |
| R Collins | 12,000 | - | - | - | 12,000 | - |
| B Conti | 12,000 | - | 1,140 | - | 13,140 | - |
| Total | 36,000 | - | 2,280 | - | 38,280 | - |

The directors fees disclosed above were based on Directors entitlements and includes actual payments and entitlements accrued but not paid. As at 30 June 2021 there was a total amount of \$3,000 (2020: \$3,000) owing to directors for fees and superannuation.

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

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 2020 | Granted as Compensation | Issued on Exercise of Options During the Year | Other Changes During the Year | Balance 30 June 2021 |
|--------------|------------------------|----------------------------|--|----------------------------------|-------------------------|
| M Scivolo | - | - | - | - | - |
| R Collins | - | - | - | - | - |
| B Conti | - | - | - | - | - |
| J Dugdale | - | - | - | - | - |
| Total | - | - | - | - | - |

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 fees.

Directors and Executives received no benefits in the form of share-based payments during the year ended 30 June 2021.

SABRE RESOURCES LTD

DIRECTORS REPORT

REMUNERATION REPORT (AUDITED) (continued)

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 2020. The Company did not receive specific feedback at the AGM regarding its remuneration practices.

END OF REMUNERATION REPORT

ANALYSIS OF MOVEMENT IN SHARES

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

| | Number | \$ |
|---|---------------|------------|
| Opening balance 1 July 2020 | 857,717,007 | 55,878,006 |
| Placement on 21 July 2020 | 180,929,251 | 452,323 |
| Placement on 28 July 2020 | 212,000,000 | 644,480 |
| Placement on 1 December 2020 | 417,391,304 | 4,800,000 |
| Placement on 4 December 2020 | 15,026,087 | 172,800 |
| Capital raising costs on above placements | - | (503,651) |
| Closing balance 30 June 2021 | 1,683,063,649 | 61,443,598 |

ANALYSIS OF MOVEMENT IN OPTIONS

During the year the movement in options was as follows.

| Class | Balance 1 July 2020 | Issued During Year | Exercised or expired during year | Balance 30 June 2021 |
|--|------------------------|-----------------------|--|-------------------------|
| Exercisable at 1.5 cents each on or before 1 December 2021 | 125,000,000 | - | - | 125,000,000 |
| Exercisable at 0.8 cents each on or before 30 September 2022 | 596,493,401 | 853,882,017 | - | 1,450,375,418 |
| | 721,493,401 | 853,882,017 | - | 1,575,375,418 |

SABRE RESOURCES LTD

DIRECTORS REPORT

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.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2021, and the number of meetings attended by each Director.

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

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 21 October 2020 and was re-elected.

Mr Basil Conti, 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

As announced to the ASX on 21 July 2021, the Company executed an Agreement to acquire the Ninghan gold exploration project. Pursuant to the Agreement, the significant terms that apply upon the grant of the tenement EL59/2402 are:

- a) a payment of A\$15,000.
- b) issue of 6,250,000 fully paid ordinary shares in SBR.
- c) issue of 6,250,000 SBRO options being options exercisable at A\$0.008 and expiring on 30 September 2022, that upon exercise convert to fully paid SBR shares.
- d) payment of a Net Smelter royalty (NSR) of 1% of the net smelter revenue realised from the sale of mineral products mined from the tenement.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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.

SABRE RESOURCES LTD

DIRECTORS REPORT

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, and 1,450,375,418 with an expiry of 30 September 2022 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 67.

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 the Company's auditor, Crowe Perth, also provided services in relation to taxation matters. Details of the amounts paid and payable to the auditor of the Company, Crowe Perth, for audit and non-audit services provided during the year are set out in Note 6 to the Financial Statements.

SABRE RESOURCES LTD

DIRECTORS REPORT

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 28th day of September 2021

Perth, Western Australia

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 report that relates to exploration results has been reviewed, compiled and fairly represented by Mr Jonathon Dugdale. Mr Dugdale is the Chief Executive Officer of Sabre Resources Limited and a Fellow of the Australian Institute of Mining and Metallurgy ('FAusIMM'). Mr Dugdale has sufficient experience, including over 34 years' experience in exploration, resource evaluation, mine geology and finance, relevant to the style of mineralisation and type of deposits under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee ('JORC') Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Dugdale consents to the inclusion in this report of the matters based on this 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 2021

| | Notes | Consolidated 2021 | 2020 |
|---|-------|----------------------|--------------------|
| | | \$ | \$ |
| Other Income | 5 | 13,082 | 23,742 |
| Expenditure | | | |
| Depreciation | | (3,053) | (2,690) |
| Directors' fees and services | | (38,280) | (37,560) |
| Professional fees | | (191,431) | (201,678) |
| ASX listing fees | | (39,615) | (28,910) |
| Provision for doubtful debts | | (8,401) | (8,706) |
| Exploration and evaluation expenditure written off | 11 | (2,892,675) | (268,800) |
| Office facility fees for services under a Management Agreement | | (183,832) | (143,692) |
| Employee benefits expense | | (30,214) | (22,806) |
| Loss on sale of subsidiary company | 27 | (735,714) | - |
| Other operating costs | | (69,860) | (30,046) |
| | | (4,193,075) | (744,888) |
| (Loss) before income tax | | (4,179,993) | (721,146) |
| Income tax benefit | 4 | - | - |
| (Loss) for the year | | (4,179,993) | (721,146) |
| Other Comprehensive Income, net of tax | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translating foreign controlled entities | | 180,032 | (1,612,881) |
| Total Comprehensive Loss for the year | | (3,999,961) | (2,334,027) |
| Loss for the year attributable to: | | | |
| Owners of the parent | | (4,168,499) | (630,123) |
| Non-controlling interest | | (11,494) | (91,023) |
| Total Loss for the year, net after tax | | (4,179,993) | (721,146) |
| Total comprehensive loss for the year attributable to: | | | |
| Owners of the parent | | (4,393,264) | (1,839,784) |
| Non-controlling interest | | 393,303 | (494,243) |
| Total comprehensive loss for the year | | (3,999,961) | (2,334,027) |
| Basic and diluted loss per share (cents) | 18 | (0.28) | (0.10) |

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 2021

| | Notes | Consolidated | |
|--|-------|-----------------------|-----------------------|
| | | 30 June 2021 \$ | 30 June 2020 \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 8 | 5,012,740 | 448,945 |
| Trade and other receivables | 9 | 42,835 | 47,267 |
| TOTAL CURRENT ASSETS | | 5,055,575 | 496,212 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 10 | 64,413 | 9,861 |
| Exploration and evaluation expenditure | 11 | 9,326,923 | 11,451,783 |
| TOTAL NON-CURRENT ASSETS | | 9,391,336 | 11,461,644 |
| TOTAL ASSETS | | 14,446,911 | 11,957,856 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 123,532 | 268,551 |
| Provisions | | 6,055 | 27,740 |
| TOTAL CURRENT LIABILITIES | | 129,587 | 296,291 |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | - | 200,000 |
| TOTAL NON-CURRENT LIABILITIES | | - | 200,000 |
| TOTAL LIABILITIES | | 129,587 | 496,291 |
| NET ASSETS | | 14,317,324 | 11,461,565 |
| EQUITY | | | |
| Issued capital | 13 | 61,443,958 | 55,878,006 |
| Foreign currency translation reserve | 16 | (2,704,379) | (2,835,870) |
| Share options reserve | 14 | 167,579 | 68,500 |
| Accumulated losses | 15 | (43,529,246) | (39,360,747) |
| Parent interests | | 15,377,912 | 13,749,889 |
| Non-controlling interest | | (1,060,588) | (2,288,324) |
| TOTAL EQUITY | | 14,317,324 | 11,461,565 |

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

| | Ordinary Issued Capital \$ | Foreign Currency Translation Reserve \$ | Share Options Reserve \$ | (Accumulated Losses) \$ | Total attributable to owners of parent \$ | Non- controlling Interest \$ | Total \$ |
|--|-------------------------------------|---|-----------------------------------|-------------------------------|---|---------------------------------------|-------------------|
| BALANCE AT 1 JULY 2020 | 55,878,006 | (2,835,870) | 68,500 | (39,360,747) | 13,749,889 | (2,288,324) | 11,461,565 |
| Loss attributable for the period | - | - | - | (4,168,499) | (4,168,499) | (11,494) | (4,179,993) |
| Total other comprehensive loss for the period | - | (224,765) | - | - | (224,765) | 404,797 | 180,032 |
| Issue of capital | 6,069,603 | - | - | - | 6,069,603 | - | 6,069,603 |
| Capital raising costs | (503,651) | - | - | - | (503,651) | - | (503,651) |
| Disposal of investment in subsidiary companies | - | 356,256 | - | - | 1,169,291 | 834,433 | 2,003,724 |
| Issue of options | - | - | 99,079 | - | 99,079 | - | 99,079 |
| BALANCE AT 30 JUNE 2021 | 61,443,958 | (2,704,379) | 167,579 | (43,529,246) | 15,377,912 | (1,060,588) | 14,317,324 |

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

| | Ordinary Issued Capital | Foreign Currency Translation Reserve | Share Options Reserve | (Accumulated Losses) | Total attributable to owners of parent | Non- controlling Interest | Total |
|---|-------------------------------|---|-----------------------------|-------------------------|---|---------------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| BALANCE AT 1 JULY 2019 | 54,497,746 | (1,626,209) | 53,073 | (38,736,568) | 14,188,042 | (1,794,081) | 12,393,961 |
| Loss attributable for the period | - | - | - | (630,123) | (630,123) | (91,023) | (721,146) |
| Total other comprehensive loss for the period | - | (1,209,661) | - | - | (1,209,661) | (403,220) | (1,612,881) |
| Issue of capital | 1,445,230 | - | - | - | 1,445,230 | - | 1,445,230 |
| Capital raising costs | (127,599) | - | - | - | (127,599) | - | (127,599) |
| Acquisition of investment in subsidiary companies | 28,000 | - | 56,000 | - | 84,000 | - | 84,000 |
| Expiration of options | 34,629 | - | (40,573) | 5,944 | - | - | - |
| BALANCE AT 30 JUNE 2020 | 55,878,006 | (2,835,870) | 68,500 | (39,360,747) | 13,749,889 | (2,288,324) | 11,461,565 |

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

| | Note | Consolidated 30 June 2021 \$ | 30 June 2020 \$ |
|---|------|---------------------------------------|-----------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from customers | | 22,045 | 85,463 |
| Payments to suppliers and employees | | (1,045,029) | (568,371) |
| Interest received | | 1,270 | 1,203 |
| Other income | | 12,306 | 20,510 |
| <i>Net cash (used in) operating activities</i> | 17 | (1,009,408) | (461,195) |
| Cash Flows from Investing Activities | | | |
| Payments for exploration and evaluation expenditure | | (238,267) | (348,440) |
| Payments for plant and equipment | | (55,136) | - |
| Proceeds from sale of subsidiary company | | 201,576 | - |
| <i>Net cash (used in) investing activities</i> | | (91,827) | (348,440) |
| Cash Flows from Financing Activities | | | |
| Proceeds from issue of shares, net of capital raising costs | | 5,665,030 | 1,352,260 |
| Repayment of loans | | - | (444,791) |
| <i>Net cash provided by financing activities</i> | | 5,665,030 | 907,469 |
| Net increase/(decrease) in Cash and Cash Equivalents | | 4,563,795 | 97,834 |
| Cash and Cash Equivalents at the Beginning of the Year | | 448,945 | 351,111 |
| Effect of exchange rates | | - | - |
| Cash and Cash Equivalents at the End of Year | 8 | 5,012,740 | 448,945 |

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The financial report of Sabre Resources Ltd (the Company) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the directors on 23 September 2021.

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 or amended Accounting Standards and Interpretations adopted

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:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

(c) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2021. 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.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

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.

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 acquiree, 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, Power Metals Pty Ltd and Scarce Minerals Pty Ltd is Australian Dollars (A\$), and the functional and presentation of Sabre Resources Namibia (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.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

(d) Foreign currency translation (continued)

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.

(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.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

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.

(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.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

(g) Investments and other financial assets (continued)

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.

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

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

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.

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.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

(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.

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.

(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.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

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.
- (c) Variable consideration in respect to sale of subsidiary
As detailed in note 27, on 25 February 2021 the consolidated entity sold Starloop Holdings Pty Ltd, a subsidiary of Sabre Resources Limited, which was also the holder of 80% of the issued capital in Gazania Investments Nine (Pty) Ltd ("Gazania"). The sale was for cash consideration of CAD\$200,000 payable at the date of settlement, as well as a further CAD\$100,000 payable upon Namibian Exclusive Prospecting License 3540 ("EPL 3540") being successfully extended to Gazania by the Namibian Ministry of Mines and Energy.

As at the date of this report, the Company has not received notification that EPL 3540 has been extended and the extension remains uncertain. Given the uncertainty, the Company has not included the variable consideration of CAD\$100,000 in respect of the sale, and this amount has not been included in the calculation of the loss on disposal.

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

- (a) Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

4. Income Tax

| | Consolidated | |
|---|-------------------|------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| 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% | (1,253,998) | (216,344) |
| Add: | | |
| <i>Tax effect of:</i> | | |
| Other non-allowable items | 1,089,307 | 85,081 |
| Other assessable items | | - |
| Other allowable deductions | | - |
| Deferred tax asset not brought to account | 167,564 | 138,294 |
| Less: | | |
| <i>Tax effect of overseas tax rate</i> | (2,873) | (7,031) |
| Income tax (benefit) attributable to entity | <u>-</u> | <u>-</u> |
| Unrecognised Deferred Tax Assets | | |
| - Tax losses: operating losses | 5,002,037 | 3,650,773 |
| - Tax losses: capital losses | 3,400,579 | 1,883,052 |
| - Temporary differences | 3,024,626 | 279,959 |
| - Foreign tax losses | 33,035 | 4,003,231 |
| | <u>11,460,277</u> | <u>9,817,015</u> |
| Unrecognised Deferred Tax Liabilities | <u>(168,368)</u> | <u>(86,979)</u> |

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 | |
|---------------------|---------------|---------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Interest earned | 776 | 1,203 |
| Cost recovery | - | 2,029 |
| ATO cash flow boost | 12,306 | 20,510 |
| | <u>13,082</u> | <u>23,742</u> |

6. Auditor's Remuneration

Remuneration of the auditor of the parent entity, Crowe Perth

| | | |
|---|--------|--------|
| - auditing or reviewing the financial report | 16,900 | 16,600 |
| - taxation services provided by a related practice of the auditor | 5,665 | 5,000 |

Remuneration of other auditors of subsidiaries for:

| | | |
|---|--------|--------|
| - auditing or reviewing the financial reports of subsidiaries | 14,118 | 14,347 |
|---|--------|--------|

| | | |
|--|---------------|---------------|
| | <u>36,683</u> | <u>35,947</u> |
|--|---------------|---------------|

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 2021.

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

| | | |
|------------------------------|---------------|---------------|
| Short-term employee benefits | 36,000 | 36,000 |
| Post-employment benefits | 2,280 | 2,280 |
| | <u>38,280</u> | <u>38,280</u> |

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 | <u>5,012,740</u> | <u>448,945</u> |
|---------------|------------------|----------------|

9. Trade and Other Receivables

| | Consolidated | |
|-------------------|---------------|---------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Current | | |
| Trade debtors | - | 22,045 |
| Other receivables | 42,835 | 20,222 |
| | <u>42,835</u> | <u>47,267</u> |

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

10. Plant and Equipment

| | | |
|-----------------------------------|-----------------|-----------------|
| Plant and Equipment, at cost | 127,026 | 63,721 |
| Less: accumulated depreciation | <u>(62,613)</u> | <u>(53,860)</u> |
| | 64,413 | 9,861 |
| Opening written down value | 9,861 | 14,696 |
| Additions | 57,605 | - |
| Disposals / writeoffs | - | (2,145) |
| Depreciation | <u>(3,053)</u> | <u>(2,690)</u> |
| Closing written down value | 64,413 | 9,861 |

11. Exploration and Evaluation Expenditure

| | | |
|--|--------------------|-------------------|
| Opening balance | 11,451,783 | 13,023,225 |
| Expenditure for year (including foreign currency exchange) | 767,815 | (1,371,605) |
| Exploration and evaluation on acquisition of subsidiaries | - | 68,963 |
| Exploration and evaluation expenditure written off | <u>(2,892,675)</u> | <u>(268,800)</u> |
| | 9,326,923 | 11,451,783 |

The mining tenement EPL 3542 in Namibia expired on 7 May 2021 and an application for renewal has been lodged on 8 February 2021. The costs relating to this mining tenement that have been capitalised in the consolidated entity is \$8,770,345.

The Group has fulfilled all necessary obligations for the renewal of EPL 3542 under the terms of the Licence and has not received any indication from the Ministry of Mines and Industry that there are any impediments to the renewal of this tenement. It is the directors' belief that, on the basis of information available to them, the tenement will be renewed in due course.

12. Trade and other Payables

| | Consolidated | |
|--|----------------|----------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Current | | |
| Trade payables | 99,919 | 236,301 |
| Accrued liabilities and other payables | 23,613 | 32,250 |
| | <u>123,532</u> | <u>268,551</u> |
| Non-current | | |
| Deferred trade payables ¹ | - | 200,000 |
| | <u>-</u> | <u>200,000</u> |

¹The above deferred trade payables represented interest free unbilled management fees and reimbursable costs payable to the Corporate Manager company.

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 \$ |
|---------------------|--|----------------------|-------------|-------------------|
| 30 June 2019 | | 406,973,606 | | 54,497,746 |
| 2 August 2019 | Shares issued | 68,410,068 | \$0.003 | 205,230 |
| 25 November 2019 | Shares issued | 233,333,333 | \$0.003 | 700,000 |
| 25 November 2019 | Shares issued | 135,000,000 | \$0.004 | 540,000 |
| 29 January 2020 | Issue of shares for acquisition of Power Metals Pty Ltd | 8,000,000 | \$0.002 | 16,000 |
| 11 May 2020 | Issue of shares for acquisition of Scarce Minerals Pty Ltd | 6,000,000 | \$0.002 | 12,000 |
| 31 October 2019 | Transfer from Share Option Reserve | - | | 34,629 |
| | Capital raising costs | - | | (127,599) |
| 30 June 2020 | | 857,717,007 | | 55,878,006 |
| 21 July 2020 | Shares issued | 180,929,251 | \$0.0025 | 452,323 |
| 28 July 2020 | Shares issued | 212,000,000 | \$0.00304 | 644,480 |
| 1 December 2020 | Shares issued | 417,391,304 | \$0.0115 | 4,800,000 |
| 4 December 2020 | Shares issued | 15,026,087 | \$0.0115 | 172,800 |
| | Capital raising costs | - | | (503,651) |
| 30 June 2021 | | 1,683,063,649 | | 61,443,958 |

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 \$ |
|---------------------|---|--------------------|----------------|
| 30 June 2019 | Balance | 276,501,378 | 53,073 |
| 31 October 2019 | Options expired | (151,501,378) | (40,573) |
| 10 December 2019 | Issue of free attaching options to placements | 470,493,401 | - |
| 10 December 2019 | Issue of options to consultants | 20,000,000 | - |
| 10 December 2019 | Issue of options to facilitator of placement | 50,000,000 | - |
| 29 January 2020 | Issue of options for acquisition of Power Metals Pty Ltd | 50,000,000 | 50,000 |
| 11 May 2020 | Issue of options for acquisition of Scarce Minerals Pty Ltd | 6,000,000 | 6,000 |
| 30 June 2020 | Balance | 721,493,401 | 68,500 |
| 28 July 2020 | Issue of free attaching options to placements | 196,464,626 | - |
| 14 August 2020 | Issue of options to consultants | 100,000,000 | 2,000 |
| 29 October 2020 | Issue of options to consultants | 100,000,000 | 2,000 |
| 29 October 2020 | Issue of options in part consideration for broker services | 25,000,000 | 50,000 |
| 1 December 2020 | Issue of free attaching options to placements | 417,391,304 | - |
| 4 December 2020 | Issue of options in part consideration for broker services | 15,026,087 | 45,079 |
| 30 June 2021 | Balance | 613,855,930 | 167,579 |

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:

| | 2021 Number | 2021 WAEP (cents) | 2020 Number | 2020 WAEP (cents) |
|---|----------------------|-------------------------|--------------------|-------------------------|
| Outstanding at beginning of year | 721,493,401 | 0.9 | 276,501,378 | 2.3 |
| Granted during the year | 853,882,017 | 0.8 | 596,493,401 | 0.8 |
| Expired during year | - | - | (151,501,378) | (3.0) |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | 1,575,375,418 | 0.9 | 721,493,401 | 0.9 |

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.
- 1,450,375,418 listed options exercisable at 0.8 cents per option at any time up to their expiry date of 30 September 2022.

The remaining weighted average contractual life of options outstanding at year end was 1.19 years.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

15. Accumulated Losses

| | Consolidated | |
|--|---------------------|---------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Accumulated losses at the beginning of the year | (39,360,747) | (38,736,568) |
| Loss for year | (4,168,499) | (630,123) |
| Expiration of share options | - | 5,944 |
| Accumulated losses at the end of the financial year | (43,529,246) | (39,360,747) |

16. Foreign currency translation reserve

| | | |
|--|--------------------|--------------------|
| Foreign currency translation reserve at the beginning of the year | (2,835,870) | (1,626,209) |
| Currency translation differences arising during the year | (224,765) | (1,209,661) |
| Disposal of investment in subsidiary companies | 356,256 | - |
| Foreign currency translation reserve at the end of the financial year | (2,704,379) | (2,835,870) |

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

| | Note | Consolidated | |
|--|------|--------------------|------------------|
| | | 2021 | 2020 |
| | | \$ | \$ |
| Operating profit/(loss) after income tax: | | (4,168,499) | (630,123) |
| Non-cash flows in loss: | | | |
| Depreciation | 10 | 3,053 | 2,690 |
| Foreign exchange movements | | (108,232) | (102,486) |
| Loss on sale of subsidiary company | | 735,714 | - |
| Provision for doubtful debts | | 8,401 | 8,706 |
| Exploration and evaluation expenditure written off | | 2,892,675 | 268,800 |
| Non-controlling interest | | 11,494 | 91,023 |
| Changes in assets and liabilities: | | | |
| (Increase)/decrease in receivables | | 4,433 | 21,687 |
| Increase/(decrease) in trade and other payables | | (366,762) | (118,246) |
| Increase/(decrease) in provisions | | (21,685) | (3,246) |
| Net cash flows (used in) operating activities | | (1,009,408) | (461,195) |

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

18. Earnings per share

| | 2021 Number | 2020 Number |
|--|----------------|----------------|
| Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share | 1,473,822,907 | 692,769,287 |
| 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 | 0.28 | 0.10 |

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 | |
|------------------------------------|------------------------|----------|----------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial Assets: | | | | | | |
| Cash and cash equivalents | 5,012,740 | - | - | 448,945 | 5,012,740 | 448,945 |
| Trade and other receivables | - | - | 42,835 | 47,267 | 42,835 | 47,267 |
| Total Financial Assets | 5,012,740 | - | 42,835 | 496,212 | 5,055,575 | 496,212 |
| Financial Liabilities: | | | | | | |
| Trade and other payables | - | - | (123,532) | (468,551) | (123,532) | (468,551) |
| Provisions | - | - | (6,055) | (27,740) | (6,055) | (27,740) |
| Total Financial Liabilities | - | - | (129,587) | (496,291) | (129,587) | (496,291) |
| Net Financial Assets | 5,012,740 | - | (86,752) | (79) | 4,925,988 | (79) |

Reconciliation of Financial Assets to Net Assets

| | Consolidated | |
|--|-------------------|-------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Net financial assets | 4,925,988 | (79) |
| Exploration and evaluation expenditure | 9,326,923 | 11,451,783 |
| Plant and equipment | 64,413 | 9,861 |
| | 14,317,324 | 11,461,565 |

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

19. Financial Instruments (continued)

(a) 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.

(b) Financial Risk Management

The Group's financial instruments consist mainly of deposits with recognised banks, accounts receivable and accounts payable. 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 higher interest accounts. 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.

(c) 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.

Interest Rate Sensitivity Analysis

At 30 June 2021, 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:

| | Consolidated | |
|-----------------------------------|--------------|---------|
| | 2021 | 2020 |
| | \$ | \$ |
| Change in profit: | | |
| - Increase in interest rate by 2% | 54,617 | 8,001 |
| - Decrease in interest rate by 2% | (54,617) | (8,001) |
| Change in Equity | | |
| - Increase in interest rate by 2% | 54,617 | 8,001 |
| - Decrease in interest rate by 2% | (54,617) | (8,001) |

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

19. Financial Instruments (continued)

Foreign Currency Risk Sensitivity Analysis

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

(d) 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.

| Consolidated Group | Within 1 year | | 1 to 5 years | | Total | |
|--|------------------|------------------|--------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial Liabilities – Due for Payment | | | | | | |
| Trade and other payables | (123,532) | (268,551) | - | (200,000) | (123,532) | (468,551) |
| Provisions | (6,055) | (27,740) | - | - | (6,055) | (27,740) |
| Total Expected Outflows | (129,587) | (296,291) | - | (200,000) | (129,587) | (496,291) |
| Financial Assets – Cash Flows Realisable | | | | | | |
| Cash and cash equivalents | 5,012,740 | 448,945 | - | - | 5,012,740 | 448,945 |
| Trade and other receivables | 42,835 | 47,267 | - | - | 42,835 | 47,267 |
| Total anticipated inflows | 5,055,575 | 496,212 | - | - | 5,055,575 | 496,212 |
| Net (outflow) / inflow on financial instruments | 4,925,988 | 199,921 | - | (200,000) | 4,925,988 | (79) |

(e) 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.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

20. Investment in controlled entities

| Name of Entity | Country of Incorporation | Class of Shares | Equity Holding % | | Book Value of Investment | | Contribution to Consolidated Result | |
|------------------------------------|--------------------------|-----------------|------------------|--------|--------------------------|-----------|-------------------------------------|-----------|
| | | | 2021 % | 2020 % | 2021 \$ | 2020 \$ | 2021 \$ | 2020 \$ |
| | | | | | | | | |
| Link National Pty Ltd | Australia | Ordinary | 100 | 100 | - | - | - | - |
| Sabre Resources Namibia (Pty) Ltd | Namibia | Ordinary | 70 | 70 | - | - | (38,307) | - |
| Starloop Holdings Pty Ltd | Australia | Ordinary | - | 100 | - | 5,360,000 | - | - |
| Gazania Investments Nine (Pty) Ltd | Namibia | Ordinary | - | 80 | - | 6,500,000 | - | - |
| Sherlock Operations Pty Ltd | Australia | Ordinary | 100 | 100 | 180,000 | 180,000 | - | - |
| Hammond Park Pty Ltd | Australia | Ordinary | 70 | 70 | 179,970 | 179,970 | - | (225,356) |
| Kinetic Metals Pty Ltd | Australia | Ordinary | 100 | 100 | 43,444 | 43,444 | - | (43,444) |
| Scarce Minerals Pty Ltd | Australia | Ordinary | 100 | - | 18,000 | 18,000 | - | - |
| Power Metals Pty Ltd | Australia | Ordinary | 100 | - | 66,000 | 66,000 | - | - |

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 2021 | | Year ended 30 June 2020 | |
|---------------------------------------|-------------------------|----------------------------|-------------------------|-----------|-------------------------|-----------|
| | | | Transactions | Balance | Transactions | Balance |
| Sabre Resources Namibia (Pty) Ltd | Subsidiary | Expenses paid | - | 9,889,627 | - | 9,726,435 |
| Gazania Investments Nine (Pty) Ltd | Subsidiary | Expenses paid | - | - | (73,858) | 3,663,419 |
| Sherlock Operations Pty Ltd | Subsidiary | Expenses paid | - | 240,058 | - | 240,058 |
| Hammond Park Pty Ltd | Subsidiary | Expenses paid | - | 49,669 | - | 49,669 |
| Link National Pty Ltd | Subsidiary | Expenses paid | - | 200 | - | 200 |
| Golden Deeps Limited | Common directorship | Geological services income | - | - | 164,014 | 10,478 |
| Metals Australia Ltd | Common directorship | Geological services income | - | - | 15,014 | 7,272 |
| 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.

| Segment Performance – June 2021 | Namibia | Australia | Total |
|--|--------------------|------------------|--------------------|
| Revenue | | | |
| From external sources | - | 12,306 | 12,306 |
| Interest revenue | 65 | 711 | 776 |
| Total Group revenue | 65 | 13,017 | 13,082 |
| Segment profit/(loss) | | | |
| Management Fees – unrelated parties | - | (183,832) | (183,832) |
| Corporate overheads - unrelated parties | (38,307) | (342,547) | (380,854) |
| Loss on sale of subsidiary company | (735,714) | - | (735,714) |
| Exploration and evaluation expenditure written off | (2,892,675) | - | (2,892,675) |
| Total Group profit/(loss) | (3,666,631) | (513,362) | (4,179,993) |
| Segment assets | 8,905,811 | 5,541,100 | 14,446,911 |
| Segment liabilities | (12,153) | (117,434) | (129,587) |
| Segment Performance – June 2020 | Namibia | Australia | Total |
| Revenue | | | |
| From external sources | - | 22,539 | 22,539 |
| Interest revenue | 1,060 | 143 | 1,203 |
| Total Group revenue | 1,060 | 22,682 | 23,742 |
| Segment profit/(loss) | | | |
| Management Fees – unrelated parties | - | (143,692) | (143,692) |
| Corporate overheads - unrelated parties | (94,809) | (237,587) | (332,396) |
| Exploration and evaluation expenditure written off | - | (268,800) | (268,800) |
| Total Group profit/(loss) | (93,749) | (627,397) | (721,146) |
| Segment assets | 11,223,382 | 734,474 | 11,957,856 |
| Segment liabilities | (18,161) | (478,130) | (496,291) |

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

23. Commitments

(i) Mining Tenements

The Company has a formal exploration commitment of \$100,000 per annum on its Sherlock Bay mining tenement, however, the Company has been granted an exemption from this by the Western Australian Department of Mines, Industry Regulation and Safety. The exemption is granted up to 22 September 2024.

Formal exploration commitments in respect of the Beacon EL57/1136 and the Bonanza EL57/1125 are \$15,000 and \$20,000 for the current year of term respectively. Ongoing commitments for years 1 - 5 of term total \$220,000 subject to reductions of tenement area.

The Ninghan Project ELA59/2402 has not yet been granted. Commitments will be notified once the tenement has been granted and the sale completed.

There are no formal exploration commitments specified by the Namibian Ministry of Mining and Energy for the Namibian project, EPL3542, that is subject to renewal application by the Namibian Ministry of Mines and Energy. The Company is not aware of any reason that the tenement will not be renewed in due course.

(ii) Services Agreement

The Company has an agreement with a service company for the provision of services at \$288,000 (excluding GST) per annum plus CPI. Charges are at commercial terms in accordance with the agreement entered into on 11 May 2021 for a period of five years, within renewable one year periods at the cessation of the initial five year term.

24. Parent Entity Information

The following details information related to the parent entity, Sabre Resources Ltd, at 30 June 2021. The information presented here has been prepared using consistent accounting policies as shown in note 2.

| | Parent Entity | |
|-----------------------------------|--------------------|-------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| ASSETS | | |
| Current assets | 4,958,951 | 451,123 |
| Non-current assets | 3,936,647 | 9,591,778 |
| TOTAL ASSETS | 8,895,598 | 10,042,901 |
| LIABILITIES | | |
| Current liabilities | (117,434) | (278,131) |
| Non-current liabilities | - | (200,000) |
| TOTAL LIABILITIES | (117,434) | (478,131) |
| EQUITY | | |
| Issued capital | 61,443,958 | 55,878,006 |
| Share option reserve | 167,579 | 68,500 |
| Accumulated losses | (52,833,373) | (46,381,736) |
| TOTAL EQUITY | 8,778,164 | 9,564,770 |
| FINANCIAL PERFORMANCE | | |
| (Loss) for the year | (6,451,637) | (358,597) |
| TOTAL COMPREHENSIVE (LOSS) | (6,451,637) | (358,597) |

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

24. Parent Entity Information (continued)

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.

25. Contingent Liabilities

As announced to the ASX on 21 July 2021, the Company executed an Agreement to acquire the Ningham gold exploration project. Pursuant to the Agreement, the significant terms that apply upon the grant of the tenement EL59/2402. Pursuant to this Agreement, there is a payment of a Net Smelter royalty (NSR) of 1% of the net smelter revenue realised from the sale of mineral products mined from the tenement.

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

As announced to the ASX on 21 July 2021, the Company executed an Agreement to acquire the Ningham gold exploration project. Pursuant to the Agreement, the significant terms that apply upon the grant of the tenement EL59/2402 are:

- e) a payment of A\$15,000.
- f) issue of 6,250,000 fully paid ordinary shares in SBR.
- g) issue of 6,250,000 SBRO options being options exercisable at A\$0.008 and expiring on 30 September 2022, that upon exercise convert to fully paid SBR shares.
- h) payment of a Net Smelter royalty (NSR) of 1% of the net smelter revenue realised from the sale of mineral products mined from the tenement.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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.

27. Disposal of Subsidiary Company

Description

On 25 February 2021 the consolidated entity sold Starloop Holdings Pty Ltd, a subsidiary of Sabre Resources Limited, which was also the holder of 80% of the issued capital in Gazania Investments Nine (Pty) Ltd ("Gazania"). The sale was for cash consideration of CAD\$200,000 payable at the date of settlement, as well as a further CAD\$100,000 payable upon Namibian Exclusive Prospecting License 3540 being successfully extended to Gazania by the Namibian Ministry of Mines and Energy.

SABRE RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS

27. Disposal of Subsidiary Company (continued)

Net assets disposed of:

| | 2021 |
|--------------------------------------|------------------|
| | \$ |
| Loans payable | (253,398) |
| Non-controlling interests | 834,432 |
| Foreign currency translation reserve | 356,256 |
| | <u>937,290</u> |
| | |
| Cash consideration for disposal | <u>201,576</u> |
| | |
| Loss on disposal of subsidiary | <u>(735,714)</u> |

SABRE RESOURCES LTD

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

- (a) the financial statements and notes set out on pages 19 to 46, and the Remuneration disclosures that are contained in pages 13 to 15 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 2021 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 13 to 15 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 2021.

Signed in accordance with a resolution of the Directors:



Michael Scivolo
DIRECTOR

Dated 28th day of September 2021
Perth, Western Australia

DECLARATION OF INDEPENDENCE BY SEAN MCGURK TO THE DIRECTORS OF SABRE RESOURCES LIMITED

As lead auditor for the audit of Sabre Resources Limited for the year ended 30 June 2021, 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.

This declaration is in respect of Sabre Resources Limited and the entities it controlled during the year.



Crowe Perth



Sean McGurk
Partner

Signed at Perth, Western Australia

28 September 2021

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 2021, 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 2021 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 (including Independence Standards)* (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.

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. We have determined the matters described below to be key audit matters to be communicated in our report.

| Key Audit Matter | How we addressed the Key Audit Matter |
|---|--|
| Consideration of impairment of capitalised mineral exploration and evaluation expenditure | |
| <p>The carrying amount of capitalised mineral exploration and evaluation expenditure was a significant component of the Group's total assets at \$9,326,923 at 30 June 2021.</p> <p>Judgement was required by the Group to assess whether there were indicators of impairment of the capitalised exploration and evaluation assets due to the need to make estimates about future events and circumstances, such as whether the mineral resources may be economically viable to mine in the future.</p> <p>This was a key audit matter because of the size of the balance and the risk of impairment should the Group dispose of or relinquish certain exploration or mining licences as it continues to assess future viability.</p> | <p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • Evaluated the Group's assessment that there had been no indicators of impairment for its capitalised exploration and evaluation assets, including inquiries with management and the directors to develop an understanding of the current status and future intentions for the Group's projects. • For a sample of licences, tested whether the Group retained right of tenure for its exploration licence areas by obtaining licence status records maintained by the relevant government authorities in Namibia and Australia. • Considered the consistency of information provided in relation to the judgement made by the Group in respect to right of tenure over EPL 3452 as disclosed in note 11. • Considered the consistency of information provided with external reports prepared in relation to exploration licence areas that could suggest that the carrying value is unlikely to be recovered through development or sale and management's assessment of the future likely prospectivity of material licence areas. • Considered the consistency of information provided with other available information, such as ASX releases made by the Company about the results of the exploration drilling programs and other project development activities. • Obtained plans for future expenditure and where applicable compared these to contractual minimum licence expenditure requirements. • Reviewing the appropriateness of the related financial statement disclosures. |

| Key Audit Matter | How we addressed the Key Audit Matter |
|---|--|
| | Where right of tenure had been transferred through sale, we tested whether the costs associated with the licence had been appropriately written off. |
| Accounting for the disposal of Starloop Holdings Pty Ltd and subsidiary | |
| <p>As shown in note 27 the Group disposed of the its 100% shareholding in Starloop Holdings Pty Ltd on 25 February 2021, in return for consideration of \$201,576.</p> <p>As a result, a loss on disposal of \$735,714 has been recognised in the current year.</p> <p>Determining the loss on disposal requires management judgement regarding the total net assets that form the disposal group and the level of consideration received for profit recognition.</p> | <p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • Verifying the mechanical accuracy of the disposal calculation; • Agreeing a sample of inputs to the disposal calculation to supporting evidence; • Verifying the measurement of consideration in the disposal calculation; • Calculating an independent estimate of the loss to be recognised on disposal; and • Reviewing the appropriateness of the related financial statement disclosures. |

Information Other than the Financial Report and the Audit's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2021 Annual Report for the period ended 30 June 2021 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. Misstatements 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our 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 the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Sabre Resources Limited for the year ended 30 June 2021 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, Western Australia

28 September 2021

SABRE RESOURCES LTD

SHAREHOLDERS 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 27 October 2021 unless otherwise stated.

Capital Structure

The Company currently has issued capital of 1,689,313,649 fully paid ordinary shares held by 3,646 holders.

The Company has also issued 1,456,625,418 listed options exercisable at \$0.008 at any time up to their maturity on 30 September 2022, held by 626 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 | 315 | 98,919 | 0.01% |
| 1,001 - 5,000 | 261 | 707,477 | 0.04% |
| 5,001 - 10,000 | 116 | 938,077 | 0.06% |
| 10,001 - 100,000 | 1,183 | 74,410,038 | 4.41% |
| 100,001 and over | 1,771 | 1,613,159,138 | 95.49% |
| | 3,646 | 1,689,313,649 | 100% |

(b) There were 1,637 shareholders with unmarketable parcels of shares based on the closing market price on 27 October 2021.

SABRE RESOURCES LTD

SHAREHOLDERS INFORMATION

Substantial Shareholders

The Company has no substantial shareholders.

Top 20 Shareholders

The twenty largest shareholders, representing 23.62% of the paid up capital were:

| Name of holder | Number | Percent |
|--|--------------------|----------------|
| Coniston Pty Ltd | 70,700,000 | 4.19 |
| HSBC Custody Nominees (Australia) Limited | 35,672,306 | 2.11 |
| Citicorp Nominees Pty Ltd | 31,468,806 | 1.86 |
| Sunset Capital Management | 30,869,564 | 1.83 |
| BNP Paribas Nominees Pty Ltd | 26,834,206 | 1.59 |
| Greenwood Trading Fund Pty Ltd | 23,785,737 | 1.41 |
| Yucaja Pty Ltd | 21,197,002 | 1.25 |
| 10 Bolivianos Pty Ltd | 21,123,015 | 1.25 |
| BNP Paribas Nominees Pty Ltd ACF Clearstream | 16,166,515 | 0.96 |
| Tempio Group of Companies | 12,000,000 | 0.71 |
| Mr Robert Leslie Rodgers | 12,000,000 | 0.71 |
| Mr Buu Lan Au | 11,944,444 | 0.71 |
| BNP Paribas Nominees Pty Ltd Barclays | 11,142,361 | 0.66 |
| Yeung Sai Wing | 11,000,000 | 0.65 |
| Mr Rison Amin | 11,000,000 | 0.65 |
| Mr Alan Victor Doubell | 11,000,000 | 0.65 |
| Nakea Pty Ltd | 10,600,000 | 0.63 |
| Worthytech Pty Ltd | 10,347,712 | 0.61 |
| Apollo Surya Holdings Pty Limited | 10,166,666 | 0.60 |
| Ladyman Super Pty Ltd | 10,000,00 | 0.59 |
| | 339,018,335 | 23.62% |

SABRE RESOURCES LTD

SHAREHOLDERS INFORMATION

Top 20 Option holders

There are two classes of options on issue.

There are 1,456,625,418 listed options exercisable at \$0.008 at any time up to their maturity on 30 September 2022 on issue. The twenty largest option holders as at 27 October 2021 are:

| Name of Holder | Number | Percent |
|--|--------------------|--------------|
| First Investment Partners Pty Ltd | 99,509,219 | 6.83 |
| Mr Samuel Gershon Jacobs + Mrs Sarita Devi Jacobs + Miss Manekha Bridgette Jacobs | 40,000,000 | 2.75 |
| Ms Sihol Marito Gultom | 30,000,000 | 2.06 |
| Mr Mandeep Chhillar | 26,500,000 | 1.82 |
| JL and RA Roberts Pty Ltd | 25,000,000 | 1.72 |
| Mr Yasar Arafat Saiyed | 22,500,000 | 1.54 |
| Mr Matthew Stuart Dixon | 20,000,000 | 1.37 |
| Mr Muhammed Salih Yilmaz | 20,000,000 | 1.37 |
| Mr Cody Jack Sellwood | 19,025,000 | 1.31 |
| Netyield Vision SDN BHD | 19,000,000 | 1.30 |
| Mr Warren Melville Hunter | 15,000,000 | 1.03 |
| Mr Edmund Andrew Easton | 14,000,000 | 0.96 |
| Mr Vincenzo Brizzi + Mrs Rita Lucia Brizzi | 13,000,000 | 0.89 |
| Mr Mark Leslie Thomson | 12,862,820 | 0.88 |
| Euthenia Tyche Pty Ltd | 12,000,000 | 0.82 |
| Green Mountains Investments Ltd | 11,043,477 | 0.76 |
| Charidy Pty Ltd | 10,858,696 | 0.75 |
| Mr Michael Hendrick Dob | 10,646,666 | 0.73 |
| Gotha Street Capital Pty Ltd | 10,350,250 | 0.71 |
| AHM NSW Pty Ltd | 10,326,682 | 0.71 |
| Totals | 441,622,810 | 30.32 |

Distribution of Option holders \$0.008 Exercise Price Expiring 30 September 2022

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

| Range of Holding | Holders | Options Held | Percent |
|------------------|------------|----------------------|-------------|
| 1 - 1,000 | 1 | 7 | 0.00% |
| 1,001 - 5,000 | 0 | 0 | 0.00% |
| 5,001 - 10,000 | 0 | 0 | 0.00% |
| 10,001 - 100,000 | 17 | 1,511,092 | 0.10% |
| 100,001 and over | 608 | 1,455,114,319 | 99.90% |
| | 626 | 1,456,625,418 | 100% |

(c) There were 160 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 |
| Totals | 125,000,000 | 100.00 |

SABRE RESOURCES LTD

TENEMENT INFORMATION

Tenement Schedule as at 28 October 2021

| Tenement ID | Jurisdiction | Project | Interest | Area km ² | Grant Date | Expiry Date | Comments |
|-------------|----------------|--------------|----------|----------------------|------------|-------------|-----------------|
| EPL3542 | Namibia | Otavi | 70% | 116.3 | 30/10/06 | 7/05/21 | Renewal pending |
| E57/1125 | Australia - WA | Bonanza | 100% | 18.0 | 10/01/20 | 9/01/25 | |
| E57/1136 | Australia - WA | Beacon | 100% | 15.0 | 24/03/20 | 23/03/25 | |
| M47/0567 | Australia - WA | Sherlock Bay | 70% | 10.0 | 23/09/04 | 22/09/25 | |
| L47/0124 | Australia - WA | Sherlock Bay | 70% | 1.0 | 21/07/04 | 20/07/25 | |