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SABRE RESOURCES LTD

(ACN 003 043 570)

Interim Financial Report for the Half Year Ended 31 December 2022

CONTENTS

Directors' Report	3
Auditor's Independence Declaration	11
Consolidated Statement of Profit or Loss and Other Comprehensive Income	12
Consolidated Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Consolidated Cash Flow Statement	15
Notes to the Financial Statements	16
Directors' Declaration	21
Independent Auditor's Review Report to The Members	22

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DIRECTORS' REPORT

The Directors present their report on the consolidated group of Sabre Resources Ltd (the "Company") and its controlled entities (the "Group") for the half year ended 31 December 2022.

1. DIRECTORS

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

Michael Scivolo
Basil Conti
Michael Norburn

2. REVIEW OF OPERATIONS

SHERLOCK BAY NICKEL PROJECT, WA (70%)

During the reporting period the Company completed a diamond drilling program which tested potential for higher-grade to massive nickel sulphides at depth below/down-plunge from the existing nickel sulphide resources at the Sherlock Bay Nickel Project[1] in the west Pilbara of WA (Figure 1).

The WA Government approved co-funding with the Company for this drilling program of up to 50% of the direct drilling costs and $10,000 mobilisation costs, capped at a total of $220,000[2].

The program included five diamond drillholes for 2,414.6[1] which tested massive to semi-massive nickel sulphide targets at the targeted position where the Sherlock Bay mineralised horizon intersects the Sherlock Intrusive at depth (see longitudinal projection, Figure 2).

- The first hole, SBDD001, intersected 50m of sulphide mineralisation including zones of semi-massive and stringer sulphides[3]. Subsequent downhole electromagnetics (DHEM) detected a strong and broad off-hole conductor[4] indicative of massive to semi-massive sulphide mineralisation below and east of the hole on the projected contact with the Sherlock Intrusive.
- The second hole, SBDD002, drilled from south to north, intersected a 15m zone containing massive sulphide lenses and matrix sulphide breccia within the contact zone of the Sherlock Intrusive gabbro sill[5]. Subsequent DHEM indicates that this zone is part of the C3 conductor that is centred approximately 40m to the east of the hole.
- Diamond drillhole SBDD003A tested the strong C3 DHEM conductor in the Discovery Zone, intersecting a 40m zone of sulphide mineralisation that includes 15m of massive, matrix-breccia and stringer sulphides in the C3 conductor position[6].
- Diamond drillhole SBDD005 tested below the Discovery Zone and intersected two zones containing nickel-bearing massive and semi-massive sulphides over a combined 23.6m intersection width[7]. A strong DHEM conductor (massive sulphide target) was detected immediately to the west of the hole.
- Diamond drillhole SBDD004 tested for extensions to the Symonds resource and intersected a 35m zone containing semi-massive and stringer sulphide mineralisation[7]. A strong DHEM conductor was detected immediately above SBDD004 (C4) and a second larger off-hole conductor (C5) was detected in an un-drilled area to the east and above the hole.

The drilling has confirmed potential for intrusive related massive Ni-Cu-Co sulphide deposits. Results received post the end of the reporting period are higher-grade than the current Mineral Resource[7] and show potential for a resource upgrade at the project (Figure 2), and include:

- **33.0m @ 0.50% NiEq**[*] (0.42% Ni, 0.08% Cu, 0.02% Co) from 296.0m in SBDD001[9]
- **11.8m @ 0.54% NiEq**[*] (0.43%Ni, 0.09%Cu, 0.02%Co) from 414.0m in SBDD002[9]
- **17.0m @ 0.60% NiEq**[*] (0.44% Ni, 0.14% Cu, 0.03% Co) from 359.0m in SBDD003A[10]
- **11.69m @ 0.54% NiEq**[*] (0.43% Ni, 0.12% Cu, 0.03% Co) from 341.67m in SBDD005[11]

**NiEq = Ni% + 0.35x Cu%+2.0x Co%+0.23x Pd g/t + 0.15x Pt g/t + 0.26x Au g/t*

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DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

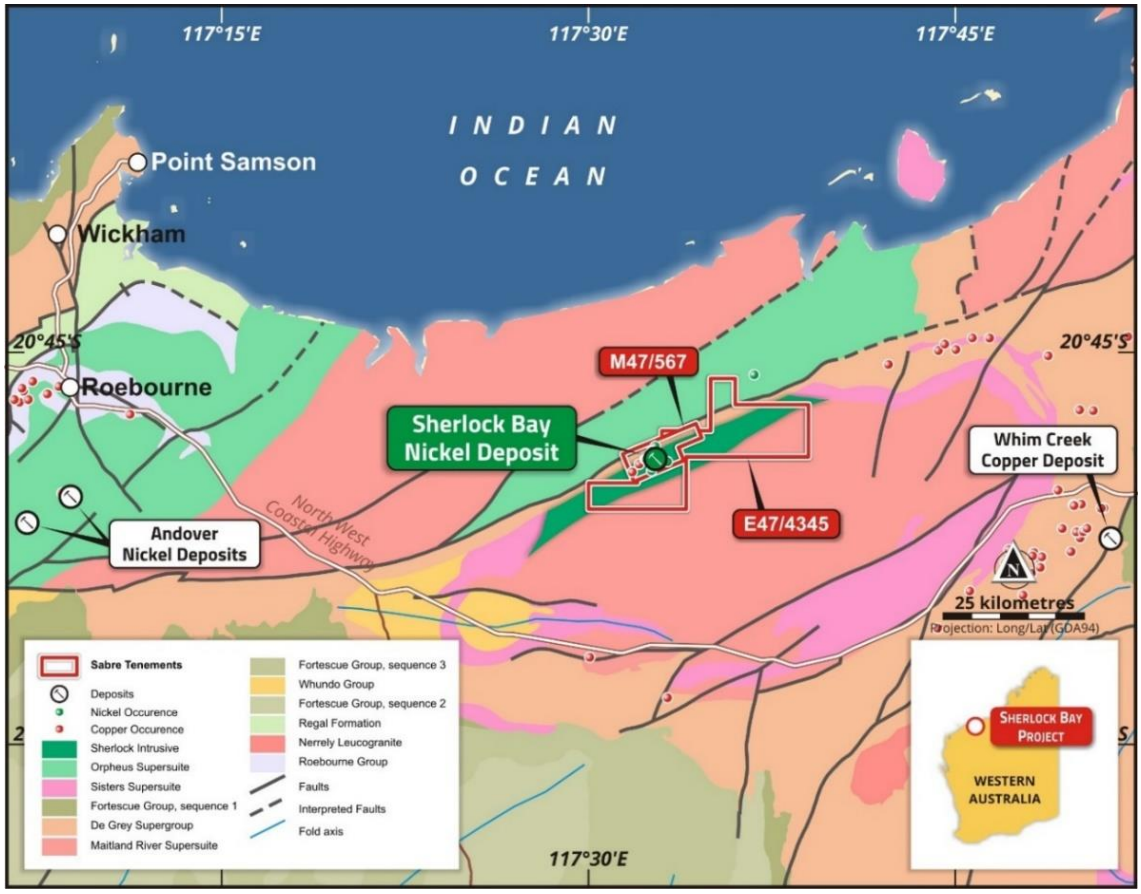


Figure 1: Sherlock Bay Nickel-Copper-Cobalt Project, regional geology and location plan

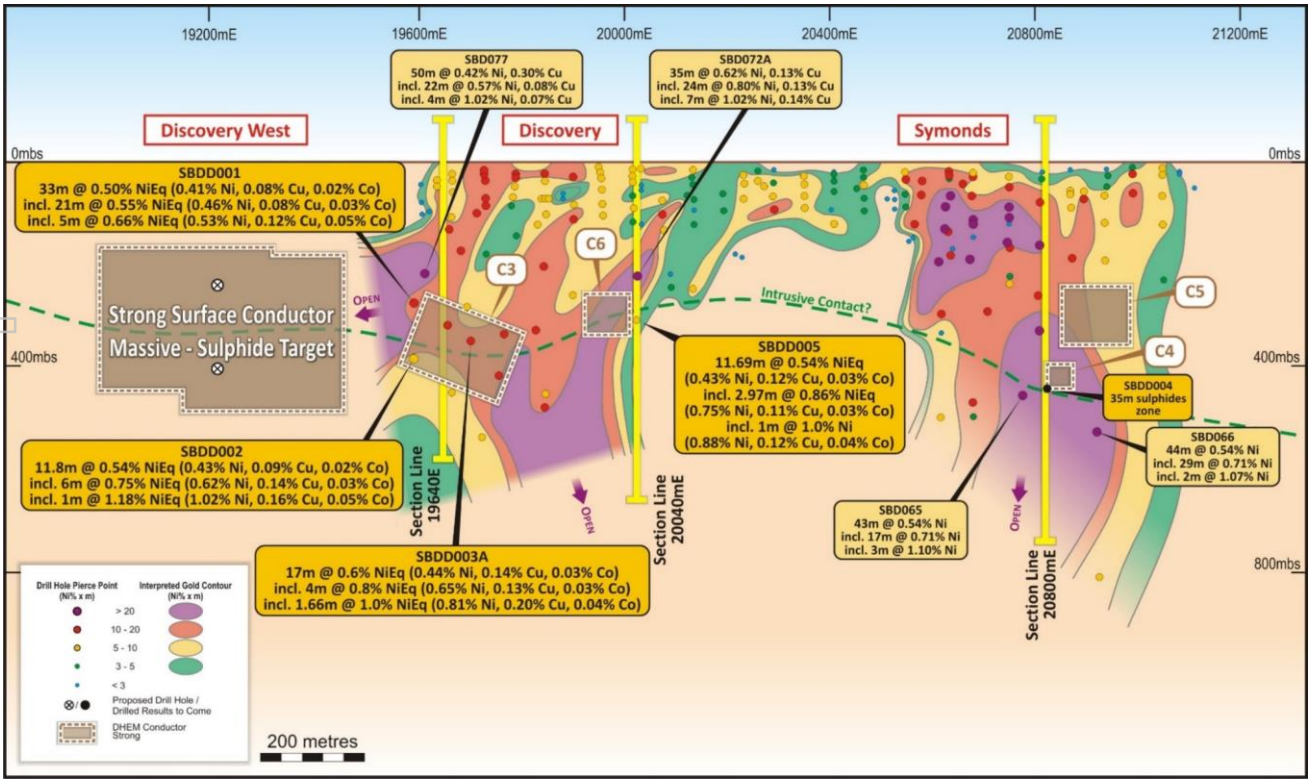


Figure 2: Sherlock Bay Longitudinal Projection showing latest NiEq* intersections and key EM conductor targets

**NiEq = Ni% + 0.35x Cu%+2.0x Co%+0.23x Pd g/t + 0.15x Pt g/t + 0.26x Au g/t*

REVIEW OF OPERATIONS (continued)

A new surface moving-loop electromagnetic (MLEM) survey at Sherlock Bay detected a strongly conductive massive sulphide target extending for over 1km at the western end of the Discovery nickel-copper-cobalt sulphide resource[12] (Figure's 2 and 3).

The strongest MLEM anomaly is located to the west of the massive and matrix-breccia sulphide intersections in SBDD002[5] and SBDD003A[6], that are centred at around 300m below surface in the Discovery Zone and remain open to the west and at depth (see Figure's 2 and 3).

The detection of the strongest surface EM anomaly to date, to the west of the higher-grade massive, semi-massive and stringer sulphide intersections, highlights strong potential for further massive sulphide discoveries in this zone.

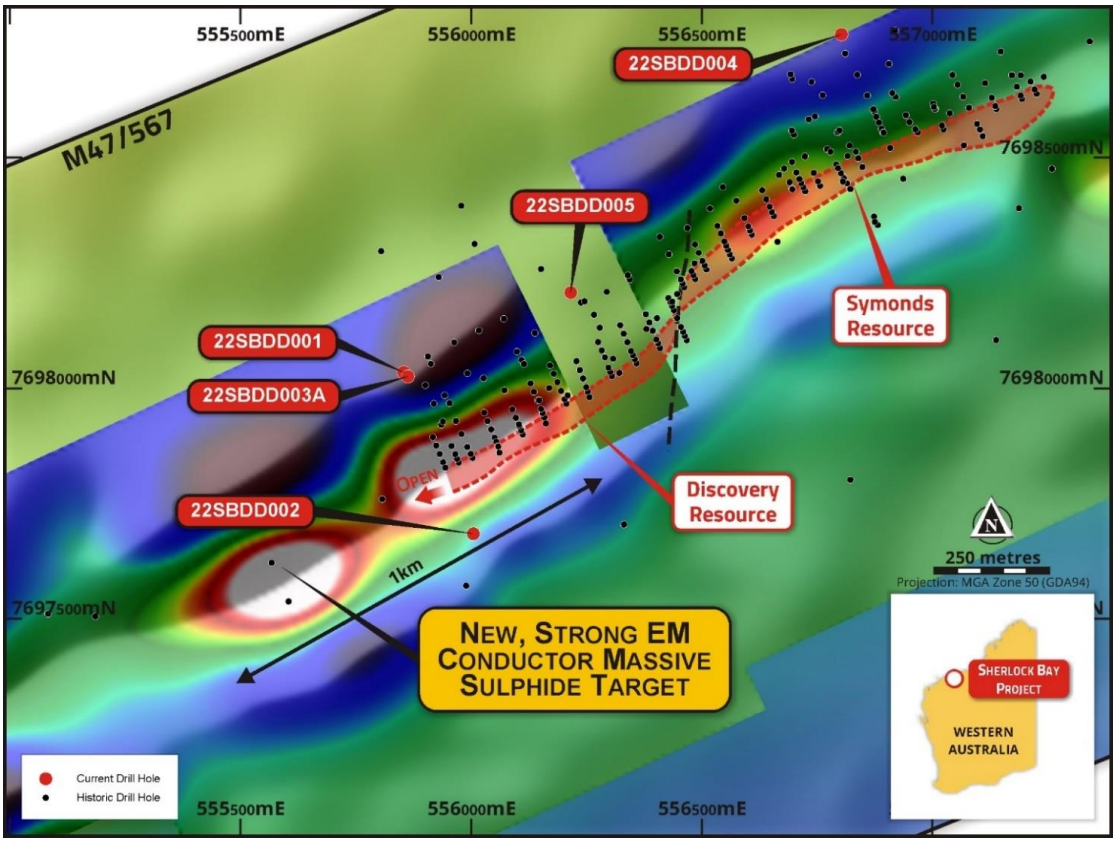


Figure 3: Sherlock Bay new drilling and EM anomalies extending west of the latest drilling

The MLEM survey was continued onto the adjoining **Sherlock Pool Project** (Figure 1) where the Company is earning 80% of E47/4345 from Jindalee Resources Ltd (ASX: JRL)[13]. The MLEM survey was completed post the end of the reporting period and data is being processed and modelled prior to drill-targeting.

NEPEAN SOUTH NICKEL PROJECT E15/1702, WA (SBR Earning 80%):

At the Nepean South Nickel Project the Company completed 18 reverse circulation (RC) holes for 2,382m, testing nickel sulphide targets within a 12km corridor of ultramafic rocks south of the Nepean nickel sulphide mine (past production 1.1Mt @ 3% Ni)[14] (Figure 4).

High nickel results were produced from the shallow saprolite (weathered) zone that included the following significant intersections:

- **8m @ 1.01% Ni** from 28m incl. **3m @ 1.26% Ni** in **NSRC0012**[14]
- **8m @ 0.78% Ni** from 32m incl. **4m @ 1.12% Ni** in **NSRC0002**[14]

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REVIEW OF OPERATIONS (continued)

In fresh bedrock below the saprolite, the RC drilling intersected disseminated sulphides associated with high-MgO channelised ultramafic cumulate rocks of the Kambalda style, producing results of up to **4m @ 0.20% Ni, 28.4% MgO** at end of hole in NSRC0004[14].

The intersection of sulphides with high nickel values in high-MgO ultramafics indicates proximity to sulphide accumulations at the basal contact with the footwall basalt below.

A fixed-loop EM (FLEM) program was completed over the channelised ultramafics to identify massive sulphide targets for further drill testing. The FLEM survey was completed late in the reporting period along the southern 5km strike length of the komatiitic ultramafic. Results were being processed and modelled post the end of the reporting period. Follow-up RC and/or diamond drilling will be planned to test any conductors detected, that may represent massive sulphide accumulations associated with high-MgO komatiites of the Kambalda / Nepean style.

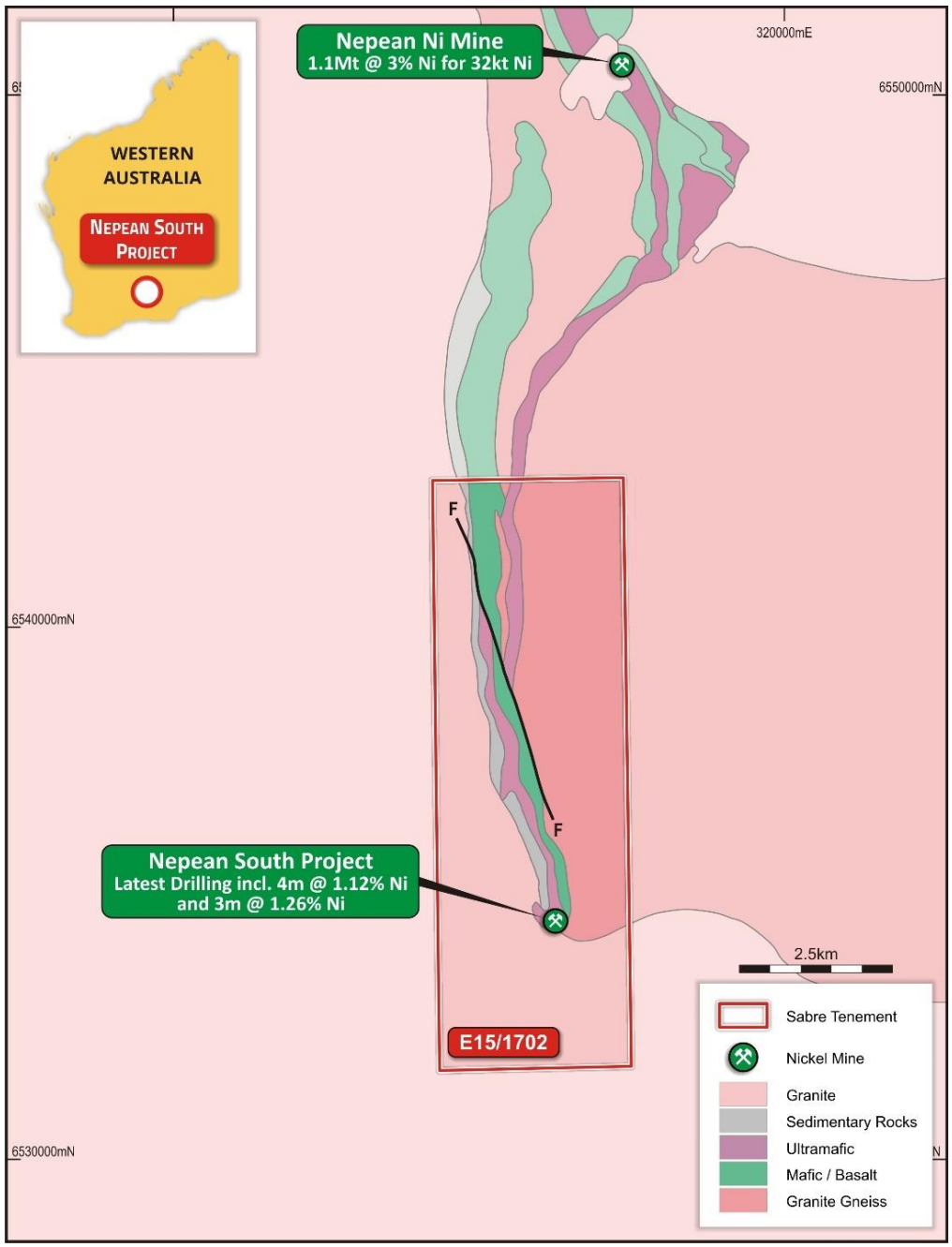


Figure 4: Nepean South Nickel Project, location and interpreted geology with Ni occurrences.

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REVIEW OF OPERATIONS (continued)

OTHER PROJECTS

Cave Hill Nickel Project; E15/1843, E15/1844 and EL 15/1845, WA (80%):

The Cave Hill Project includes three granted exploration licences at Cave Hill[15], covering an over 50km strike length of interpreted extensions of the Nepean and Queen Victoria Rocks nickel sulphide belts, immediately south and adjoining the Nepean South Project.

The Cave Hill Project includes two structural/magnetic trends of interest for nickel sulphide deposits:

- Two EL's (E15/1843 and E 15/1844) covering a 50km strike-length magnetic trend south of the historical Nepean Mine and Metals' Nepean South tenement E15/1702, and,
- E15/1845, south of the Queen Victoria Rocks nickel sulphide prospect, that covers a strong magnetic target.

All of the magnetic nickel sulphide targets on the project area are concealed by shallow cover. The primary targets within the tenement package are potentially sulphur-saturated ultramafic rocks hosting nickel sulphides, along strike from known nickel sulphide occurrences (e.g., Queen Victoria Rocks prospect, Nepean nickel deposit).

Exploration planned will initially include field mapping and surface geochemistry, followed by detailed (drone) magnetics and initial bedrock geochemical aircore drilling.

Carrara Project EL32693, Northern Territory (80%):

Data compilation and review was commenced for the Carrara EL 32693[15], which is located approximately 340 km east northeast of Tennant Creek and 1,000 km southeast of Darwin.

The Carrara tenement is highly prospective for Iron Oxide Copper Gold (IOCG) mineralisation within extensions of the Tennant East Belt and Zinc-lead-silver (SEDEX) massive sulphide deposits or sedimentary copper deposits of the McArthur River-Mount Isa provinces (e.g., Century, McArthur River, Mount Isa copper-lead-zinc), within the buried Lawn Hill Platform.

Initial exploration on EL32693 will focus on acquiring detailed magnetic and gravity data in order to detect buried Warramunga Formation and target Tennant Creek style, high-grade, copper-gold deposits that will then be tested by drilling, focused on discrete and coincident magnetic and gravity highs.

Ninghan Gold Project, E59/2402, WA (100%):

The 100% owned **Ninghan Gold Project**, E59/2402, is located approximately 50km southwest of Paynes Find in the southern part of the, highly gold-endowed, Murchison Province of Western Australia[15].

Mt Gibson Gold Mine is located less than 20km along strike to the south of the Project and has a more than 3.0Moz pre-mining gold endowment (Capricorn Metals Ltd, ASX:CMM).

Previous RAB and aircore drilling has defined two strongly anomalous zones of gold-arsenic mineralisation[12]. Field reconnaissance has located mineralised and altered mafic rocks with pyrite associated the previous aircore anomalies in the northeastern part of the tenement. These anomalies remain open to the south and follow up is planned, including additional aircore drilling to be followed by deeper RC drilling programs.

Ngalia Uranium-Vanadium Projects, EL32829 and EL32864, Northern Territory (80%):

The Ngalia Uranium-Vanadium Project comprises two exploration licences: Dingo EL32829 and Lake Lewis EL32864 located within the highly prospective Ngalia Basin in the southwestern Northern Territory[16].

The Ngalia 'Dingo' tenement EL32829 is located on the northern margin of the Ngalia Basin and is highly prospective for tabular, sandstone - hosted, uranium–vanadium deposits of Carboniferous age.

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REVIEW OF OPERATIONS (continued)

The Dingo Project is along strike from the Bigrlyi and Walbiri resource projects held by Energy Metals Ltd (ASX: EME). The Bigrlyi deposit has a defined resource of 7.46Mt @ 1,283ppm U_3O_8 and 1,197ppm V_2O_5 (9600t U_3O_8 and 8900t V_2O_5)[16].

Initial exploration for sandstone-hosted uranium-vanadium deposits in the Mt Eclipse Formation will focus on geophysics and aircore drilling of extensions to identified prospects.

The Ngalia 'Lake Lewis' tenement EL32864 is located on the southern margin of the Ngalia Basin and is highly prospective for calcrete style uranium-vanadium mineralisation, hosted by palaeo-channels analogous to the neighbouring Napperby and Cappers uranium resources. The Napperby deposit of Core Lithium Ltd (ASX: CXO) contains a JORC 2012 Inferred Resource of 9.54Mt at 382ppm U_3O_8 for 8.03 Mlb of contained U_3O_8 (at a 200 ppm U_3O_8 cut-off)[16].

Initial exploration will target shallow calcrete style uranium-vanadium mineralization associated with palaeo-drainages prior to the confluence with Lake Lewis. Radiometric ratios and limited review of historical exploration indicates uranium enrichment within this zone, that remains insufficiently tested by previous explorers.

Ninghan Nickel-Copper Projects, E59/2673, E59/2670 and ELA59/2650, WA (100%):

During the Quarter previous data compilation and review commenced over granted Exploration Licence E59/2673 and Exploration Licence E59/2670, both in the vicinity of the Company's Ninghan Gold Project, E59/2402. E59/2673 covers interpreted mafic/ultramafic intrusive rocks that are part of the Ninghan intrusive complex. Copper occurrences located at the interpreted base of the intrusive, along strike from this tenement, indicate potential for intrusive related nickel-copper sulphide deposits.

E59/2670 covers projected extensions of gold anomalous structures to the northwest of the Ninghan tenement.

Youanmi Gold Project, E57/1125 (Bonanza) and E57/1136 (Beacon), WA (100%)

The Youanmi Gold Project comprising two granted Exploration Licences (ELs), Bonanza (E57/1125) and Beacon (E57/1136), near Youanmi in WA, was reviewed and the licences have been relinquished post the reporting period.

REFERENCES

[1] Sabre Resources Ltd, 11th April 2022. Drilling of High-Grade nickel EM Targets Set to Commence.
[2] Sabre Resources Ltd, 11th April 2022. WA Govt. Co-funding for High-Grade Ni Sulphide Drilling
[3] Sabre Resources Ltd, 30th August 2022. Semi-Massive Sulphides in 50m Intersection at Sherlock Bay.
[4] Sabre Resources Ltd, 9th January 2023. Major New EM Conductor Extends Massive Sulphide Potential.
[5] Sabre Resources Ltd, 28th September 2022. Massive Sulphide EM Target Intersected at Sherlock Bay.
[6] Sabre Resources Ltd, 26th October 2022. Massive Sulphides Intersected in Target Zone at Sherlock Bay.
[7] Sabre Resources Ltd, 6th December 2022. Further Massive Sulphides Intersected at Sherlock Bay.
[8] Sabre Resources Ltd, 12th June 2018. Resource Estimate Update for Sherlock Bay Nickel Deposit.
[9] Sabre Resources Ltd, 17th January 2023. Sherlock Massive Sulphides to 1.18% Nickel Equivalent.
[10] Sabre Resources Ltd, 6th February 2023. Further High-Grade Ni-Cu-Co Results Sherlock Bay.
[11] Sabre Resources Ltd, 2nd March 2023. Second Strong EM Massive Sulphide Target at Sherlock Bay
[12] Sabre Resources Ltd, 9th January 2023. Major New EM Conductor Extends Massive Sulphide Potential.
[13] Sabre Resources Ltd, 13th December 2021. Agreements to Acquire Three Nickel Sulphide Projects.
[14] Sabre Resources Ltd, 21st September 2022. High Nickel Grades and Sulphides in Drilling at Nepean South.
[15] Sabre Resources Ltd, 24th September 2021. Sabre to Complete Acquisition of Ninghan Gold Project.
[16] Sabre Resources Ltd, 7th February 2022. Sabre Acquires Key Nickel and Uranium Projects.

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REVIEW OF OPERATIONS (continued)

Cautionary Statement regarding Forward-Looking information

This document contains forward-looking statements concerning Sabre Resources Ltd. 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 Ltd 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 Statements

The information in this report that relates to exploration results, metallurgy and mining reports and Mineral Resource Estimates has been reviewed, compiled and fairly represented by Mr Jonathon Dugdale. Mr Dugdale is the Chief Executive Officer of Sabre Resources Ltd 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, development studies 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.

Regarding the Mineral Resource Estimate for the Sherlock Bay Nickel Deposit, released 12 June 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, principally the Sabre Resources Ltd announcement of 12th June 2018: "Resource Estimate Update for Sherlock Bay Nickel Deposit". 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 announcement.

3. FINANCIAL RESULT

The Group incurred a loss after income tax of $915,441 for the half year period (2021: loss of $8,664,754). As at 31 December 2022, the Group had cash funds of $5,519,348 (30 June 2022: $8,275,709).

Net assets of the group have reduced by $417,648 from $12,204,997 at 30 June 2022 to $11,787,349 at 31 December 2022.

4. EVENTS SUBSEQUENT TO REPORTING DATE

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

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5. AUDITOR'S INDEPENDENCE DECLARATION

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

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



Michael Scivolo
Director

Perth, dated this 14th day of March 2023

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SABRE RESOURCES LIMITED

As auditor for the review of Sabre Resources Limited and its subsidiaries for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and

b) no contraventions of any applicable code of professional conduct in relation to the review.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 14th day of March 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Notes	Consolidated Half year 2022 $	Consolidated Half year 2021 $
Revenue			
Interest earned		87,618	382
Co-funded drilling program		220,000	-
Other income		200	-
Reverse provision for doubtful debt		43,522	-
		351,340	**382**
Expenditure			
Depreciation		(2,017)	(6,355)
Directors' fees and services		(21,470)	(19,200)
Professional fees		(106,055)	(106,261)
ASX listing fees		(70,665)	(37,910)
Exploration and evaluation expenditure impairment		(295,468)	(8,320,747)
Employee benefits		(1,309)	(2,498)
Share based payments		(501,000)	-
Management fees		(158,592)	(144,000)
Other operating costs		(110,205)	(28,165)
		(1,266,781)	**(8,665,136)**
Loss before income tax		**(915,441)**	**(8,664,754)**
Income tax benefit		-	-
Loss for the half year		**(915,441)**	**(8,664,754)**
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign controlled entities		(7,207)	(514,761)
Total Comprehensive Loss for the half year		**(922,648)**	**(9,179,515)**
Loss for the period attributable to:			
Owners of the parent		(910,126)	(6,944,877)
Non-controlling interest		(5,315)	(1,719,877)
Total Loss for the half year, net after tax		**(915,441)**	**(8,664,754)**
Total comprehensive loss for the period attributable to:			
Owners of the parent		(915,171)	(7,453,321)
Non-controlling interest		(7,477)	(1,726,194)
Total comprehensive loss for the half year		**(922,648)**	**(9,179,515)**
Earnings per share			
Basic and diluted loss per share (cents)		(0.32)	(0.51)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	Consolidated 31 December 2022 $	Consolidated 30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents		5,519,348	8,275,709
Trade and other receivables		473,132	52,131
TOTAL CURRENT ASSETS		**5,992,480**	**8,327,840**
NON-CURRENT ASSETS			
Plant and equipment		44,763	48,509
Exploration and evaluation expenditure	5	6,224,151	3,951,410
TOTAL NON-CURRENT ASSETS		**6,268,914**	**3,999,919**
TOTAL ASSETS		**12,261,394**	**12,327,759**
CURRENT LIABILITIES			
Trade and other payables		468,936	117,465
Provisions		5,109	5,297
TOTAL CURRENT LIABILITIES		**474,045**	**122,762**
TOTAL LIABILITIES		**474,045**	**122,762**
NET ASSETS		**11,787,349**	**12,204,997**
EQUITY			
Issued capital	6	68,297,292	68,313,092
Foreign currency translation reserve		(2,863,305)	(2,858,260)
Option reserve	7	814,215	448,494
Accumulated losses		(52,091,170)	(51,336,123)
Parent interests		14,157,032	14,567,203
Non-controlling interest		(2,369,683)	(2,362,206)
TOTAL EQUITY		**11,787,349**	**12,204,997**

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Issued Capital	Foreign Currency Translation Reserve	Share Options Reserve	Accumulated Losses	Total attributable to owners of parent	Non-controlling Interest	Total Equity
	$	$	$	$	$	$	$
BALANCE AT 1 JULY 2021	**61,443,958**	**(2,704,379)**	**167,579**	**(43,529,246)**	**15,377,912**	**(1,060,588)**	**14,317,324**
Loss for the period	-	-	-	(6,944,877)	(6,944,877)	(1,719,877)	(8,664,754)
Other comprehensive loss for the period	-	(508,444)	-	-	(508,444)	(6,317)	(514,761)
Total comprehensive loss for the period	-	(508,444)	-	(6,944,877)	(7,453,321)	(1,726,194)	(9,179,515)
Issue of capital	223,750	-	-	-	223,750	-	223,750
Expiry of options	-	-	(12,500)	12,500	-	-	-
BALANCE AT 31 DECEMBER 2021	**61,667,708**	**(3,212,823)**	**155,079**	**(50,461,623)**	**8,148,341**	**(2,786,782)**	**5,361,559**
BALANCE AT 1 JULY 2022	**68,313,092**	**(2,858,260)**	**448,494**	**(51,336,123)**	**14,567,203**	**(2,362,206)**	**12,204,997**
Loss for the period	-	-	-	(910,126)	(910,126)	(5,315)	(915,441)
Other comprehensive loss for the period	-	(5,045)	-	-	(5,045)	(2,162)	(7,207)
Total comprehensive loss for the period	-	(5,045)	-	(910,126)	(915,171)	(7,477)	(922,648)
Conversion of options	1,000	-	-	-	1,000	-	1,000
Issue of options	(16,800)	-	520,800	-	504,000	-	504,000
Expiry of options	-	-	(155,079)	155,079	-	-	-
BALANCE AT 31 DECEMBER 2022	**68,297,292**	**(2,863,305)**	**814,215**	**(52,091,170)**	**14,157,032**	**(2,369,683)**	**11,787,349**

The accompanying notes form part of these financial statement

CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Consolidated	
	Half year 2022 $	Half year 2021 $
Cash Flows from Operating Activities		
Payments to suppliers and employees	(551,075)	(348,033)
Interest received	42,898	382
Net cash used in operating activities	(508,177)	(347,651)
Cash Flows from Investing Activities		
Payments for exploration and evaluation expenditure	(2,252,309)	(389,377)
Net cash used in investing activities	(2,252,309)	(389,377)
Cash Flows from Financing Activities		
Proceeds from conversion of options	1,000	-
Proceeds from the issue of options	3,000	-
Payment of loans	(94,161)	-
Receipt of repaid loan	94,286	-
Net cash provided by financing activities	4,125	-
Net increase in Cash and Cash Equivalents	**(2,756,361)**	**(737,028)**
Cash and Cash Equivalents at the Beginning of the Half Year	**8,275,709**	**5,012,740**
Cash and Cash Equivalents at the End of Half Year	**5,519,348**	**4,275,712**

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Sabre Resources Ltd is a company domiciled in Australia.

This general-purpose financial report for the interim half year reporting period ended 31 December 2022 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Sabre Resources Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022 together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial report is either not relevant or not material.

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

2. DIVIDENDS

No dividends have been paid or proposed during the half year ended 31 December 2022.

3. CAPITAL COMMITMENTS AND CONTINGENCIES

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

4. OPERATING SEGMENTS

Segment Information

Identification of reportable segments

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

The Company is managed on the basis of area of interest. Operating segments are therefore determined in the same basis.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

4. OPERATING SEGMENTS (continued)

Segments

The Group has two reportable segments as follows:

(i) Australian Projects
(ii) Namibian Projects

Basis of Accounting for purposes of reporting by operating segments

Accounting Policies Adopted
All amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

There are no inter-segment transactions. Segment assets are clearly identifiable on the basis of their nature. Segment liabilities include trade and other.

Segment Performance – December 2022	**Namibia**	**Australia**	**Total**
Revenue	**$**	**$**	**$**
Interest revenue	534	87,084	87,618
Co-funded drilling program	-	220,000	220,000
Other income	43,522	200	43,722
Total Group revenue	44,056	307,284	351,340
Segment profit/(loss)			
Management Fees	-	(158,592)	(158,592)
Exploration impairment	-	(295,468)	(295,468)
Corporate overheads	(18,251)	(794,470)	(812,721)
Total Group profit/(loss)	**(25,805)**	**(941,246)**	**(915,441)**
Segment assets	**187,092**	**12,074,302**	**12,261,394**
Segment liabilities	**(10,594)**	**(463,451)**	**(474,045)**

Segment Performance – December 2021	**Namibia**	**Australia**	**Total**
Revenue	**$**	**$**	**$**
Other income	159	223	382
Total group revenue	**159**	**223**	**382**
Segment profit/(loss)			
Management Fees	-	(144,000)	(144,000)
Exploration impairment	(8,320,747)	-	(8,320,747)
Corporate overheads	(31,920)	(168,469)	(200,389)
Total Group profit/(loss)	**(8,352,508)**	**(312,246)**	**(8,664,754)**
Segment assets	**193,817**	**5,294,709**	**5,488,526**
Segment liabilities	**(10,761)**	**(116,206)**	**(126,967)**

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5. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2022 $	30 June 2022 $
Opening balance	**3,951,410**	**9,326,923**
Expenditure for period (including foreign exchange movements)	2,568,209	234,410
Acquisition of exploration and evaluation projects	-	120,980
Acquisition of Chalco Resources Pty Ltd	-	2,901,169
Exploration and evaluation impairment/written off	(295,468)	(8,632,072)
	6,224,151	**3,951,410**

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

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

6. ISSUED CAPITAL

Date	Details	Number of Shares	Amount $
1 July 2021	**Balance**	**1,683,063,649**	**61,443,958**
29 September 2021	Shares issued at $0.005	6,250,000	31,250
13 December 2021	Shares issued at $0.005	3,500,000	17,500
13 December 2021	Shares issued at $0.005	35,000,000	175,000
4 February 2022	Shares issued at $0.005	307,000,000	1,535,000
4 February 2022	Deferred consideration on Chalco acquisition	-	470,000
21 April 2022	Shares issued at $0.0065	754,351,205	4,903,283
8 June 2022	Options exercised at $0.006	566,154	3,397
	Capital raising costs	-	(266,296)
30 June 2022	**Balance**	**2,789,731,008**	**68,313,092**
21 September 2022	Conversion of SBRO options	125,000	1,000
7 October 2022	Issue of deferred consideration shares on Chalco acquisition	125,000,000	-
	Total	**2,914,856,008**	**68,314,092**
20 December 2022	**10:1 Consolidation**	**291,486,187**	**68,314,092**
23 December 2022	Capital raising costs (issue of options)	-	(16,800)
31 December 2022	**Balance**	**291,486,187**	**68,297,292**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

6. ISSUED CAPITAL (continued)

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 a poll is called and each fully paid ordinary share is entitled to one vote.

7. SHARE OPTION RESERVE

Date	Details	Number of Options	Amount $
1 July 2021	**Balance**	**1,575,375,418**	**167,579**
29 September 2021	Issue of options to vendor for tenement acquisition	6,250,000	-
1 December 2021	Expiry of options	(125,000,000)	(12,500)
26 April 2022	Issue of free attaching options to placements	754,351,205	-
26 April 2022	Issue of options to consultants	100,000,000	293,415
8 June 2022	Exercise of options	(566,154)	-
30 June 2022	**Balance**	**2,310,410,469**	**448,494**
21 September 2022	Conversion of $0.008 30 September 2022 options	(125,000)	-
30 September 2022	Expiry of $0.008 30 September 2022 options	(1,456,500,418)	(155,079)
	Total	**853,785,051**	**293,415**
20 December 2022	**10:1 Consolidation**	**85,378,572**	**293,415**
23 December 2022	Issue of $0.06 30 April 2024 options	37,200,000	520,800
31 December 2022		**122,578,572**	**814,215**

8. RELATED PARTY TRANSACTIONS

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

Related Party	Relationship	Nature of Transaction	Half Year Ended 31 December 2022 $	Half Year Ended 31 December 2021 $
Corporate Resource Services Pty Ltd	Management services	Management fees	158,592	144,000

The Company expensed director fees of $6,000 (2021: nil) from Poldor Pty Ltd, an entity related to Michael Norburn. $6,000 remained payable as at 31 December 2022 (excluding GST) (2021: nil).

The Company expensed director fees of nil (2021: $6,000) from Profit & Resource Management Pty Ltd, an entity related to Robert Collins. Nil remained payable as at 31 December 2022 (excluding GST) (2021: nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

9. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the financial year the Group surrendered E57/1125 and E57/1136. The value of these tenements were fully impaired in these accounts.

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

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DIRECTORS' DECLARATION

In the opinion of the Directors of Sabre Resources Ltd:

(a) the consolidated financial statements and notes, as set out on the accompanying pages, are in accordance with the Corporations Act 2001 including:

  (i) complying with Australian Accounting Standard, AASB 134: Interim Financial Reporting; and

  (ii) giving a true and fair view of its financial position as at 31 December 2022 and of its performance for the half year ended on that date.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Michael Scivolo
Director

Perth, dated this 14th day of March 2023

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MOORE

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Sabre Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

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

i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Half-Year Financial Report

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

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SABRE RESOURCES LIMITED (CONTINUED)

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

i. giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and

ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 14th day of March 2023.