

ASX ANNOUNCEMENT
21 July 2021

ASX code: **SBR**

SABRE RESOURCES ACQUIRES NEW GOLD PROJECT IN WA

Kick-starts strategy to acquire new gold and base metal targets in Australia

- **Agreement signed to acquire Ninghan gold exploration project near the 0.9Moz Mt Gibson gold mine in the southern Murchison of Western Australia. Five kilometre strike length of anomalous gold-bearing structures under-cover to be targeted**
- **Strategy to acquire further gold projects in the Youanmi/Murchison Province of WA to be advanced**
- **Sherlock Bay nickel-copper-cobalt sulphide project scoping study nears completion**
- **Higher-grade nickel sulphide zones to be targeted, both near the Sherlock Bay deposit and regionally for potential acquisition**
- **Phase 1 outcomes of the Border zinc-lead-silver project scoping study under review**

Sabre Resources Ltd (“Sabre Resources” or “Company”) is pleased to provide an update on its exploration and development strategy and the acquisition of the Ninghan gold exploration project in the southern Murchison Province of Western Australia (see Figure 1).

WA Gold Youanmi Terrane Discovery Strategy:

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

Building on the two existing projects in the region, the Bonanza and Beacon projects near Youanmi, 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 Appendix 1 for significant terms of the agreement).

The Ninghan Gold Project (“the Project”) is located in the southern part of a world-class, gold endowed, structural corridor that runs from Mt Gibson to northeast of Meekatharra. Mt Gibson gold mine is located less than 20km along strike to the south of the Project and has previous production and resources of nearly 0.9 million ounces (Figure 1).

Previous RAB / aircore drilling has defined anomalous gold mineralisation over a 5km strike-length associated with two, regional scale, northwest trending, structural corridors, largely under cover.

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 Mt Gibson gold deposits setting that, upon grant of the tenement, will be tested with further aircore and potentially RC drilling.

Sabre Resources CEO, Jon Dugdale, said *“We are very positive about the acquisition of the Ninghan gold project in the southwest Murchison of WA. This acquisition signals that Sabre will continue to target significant gold discoveries in the Youanmi Terrane of the western Yilgarn, where there remains potential for major, high-grade, gold discoveries under shallow cover.”*

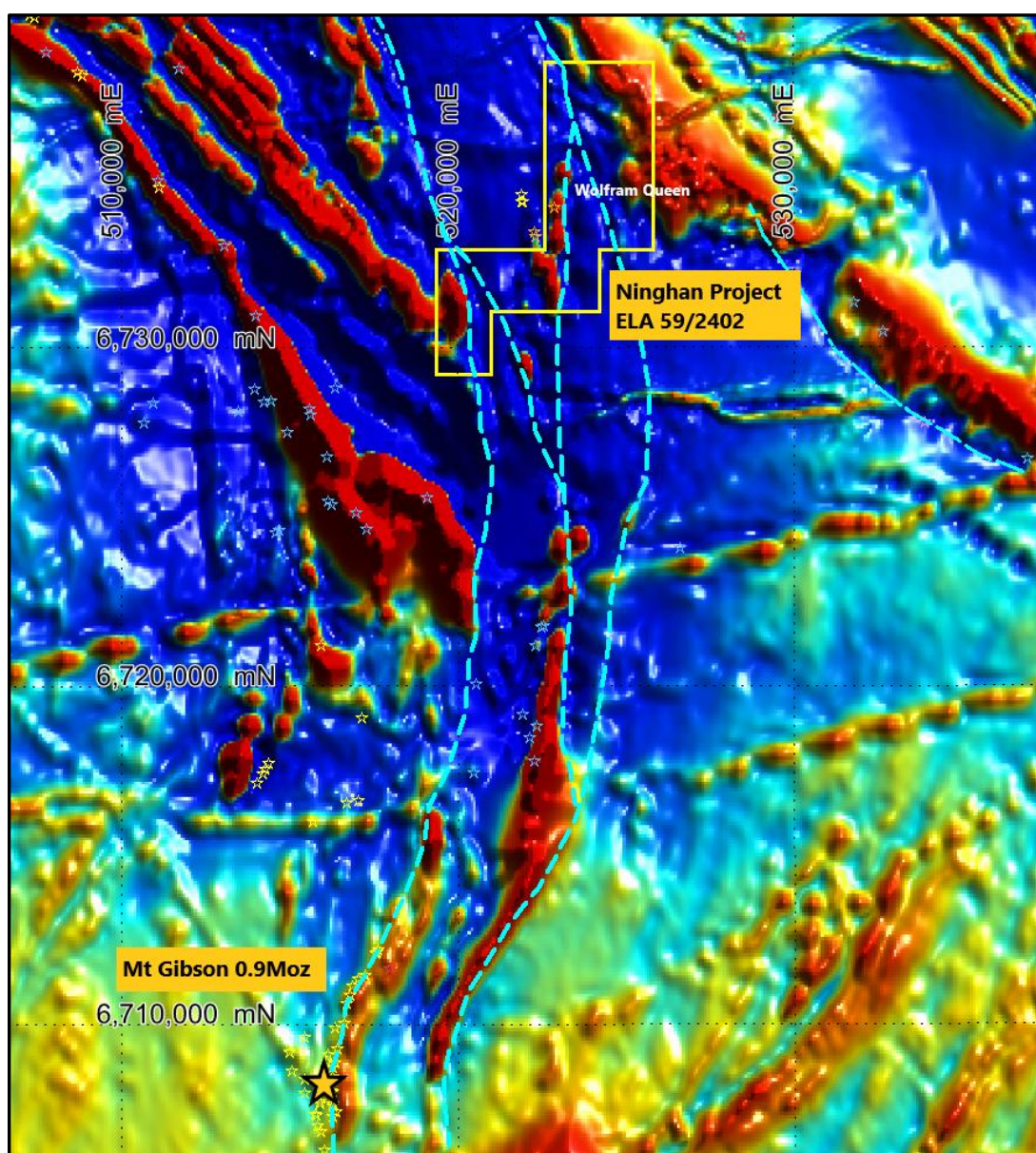


Figure 1: Ninghan gold exploration project on regional magnetics image (TMI, RTP) and Mt Gibson

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.

Sherlock Bay Nickel Project:

The updated study on mining and processing the Sherlock Bay nickel-copper-cobalt sulphide deposits in northwest WA is nearing completion.

Sherlock bay has 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)**¹, containing nearly 100,000 tonnes Ni, 21,700 tonnes Cu and 5,400 tonnes Co.

The updated, scoping, 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 2018². The AMC Mining Study included two optimised, economic pit shells and concurrent underground mine developments with two declines. 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 new scoping study is being coordinated by highly regarded nickel metallurgist Dr Natalia Streltsova, with Strategic Metallurgy Pty Ltd of Perth having 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.

In parallel with the mining and processing scoping 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 be targeted. **The Company will also examine regional potential for repeats of the Sherlock Bay geological setting for possible acquisition.**

Sabre Resources CEO, Jon Dugdale, stated that *“Previous experience with nickel sulphide ore-bodies indicates that where there are low to moderate grade nickel sulphides the opportunity always exists to locate higher-grade concentrations. The discovery of higher-grade nickel-sulphides, in combination with optimisation of the mining and processing of the existing resource, offers potential to generate a strongly viable project development plan for Sherlock Bay”*.

Base metals Projects in Namibia

The results of Phase 1 of the scoping study on the Border lead-zinc project in the Otavi Mountain Land of Namibia are currently being assessed.

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.

The Border scoping study is being conducted by diversified global engineering firm, DRA Global, and 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 separation to produce a relatively low-volume concentrate for further processing via flotation to produce a concentrate that metallurgical testing^{3,4} 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 intersections⁵ that could be converted to a mineral resource with further drilling.

Further, more detailed, Phase 2 studies will be carried out, subject to there being sufficient resources identified to support the capital to build a stand-alone processing plant.

References

¹ Sabre Resources Ltd announcement, 12th June 2018. Resource Estimate Update for the Sherlock Bay Nickel-Copper- Cobalt Deposit.

² Sabre Resources Ltd announcement, 14th August 2018. Positive Mining Study for the Sherlock Bay Nickel-Copper-Cobalt Deposit.

³ Sabre Resources Ltd announcement, 16th October 2014. Border Zinc Deposit Resource Update.

⁴ Sabre Resources Ltd announcement, 24th January 2012. Border Resource Exceeds 16 million tonnes.

⁵ Sabre Resources Ltd announcement, 15th July 2015. Toggenburg Zinc-Lead Footprint Extends to Over 2.8km Length.

This announcement was authorised for release by the Board of Directors.

*****ENDS*****

For further information, please refer to the Company's website or contact:

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Cautionary Statement 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 Golden Deeps 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 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.

Appendix 1: Significant terms of the Ninghan Gold Project Agreement

The significant terms of the agreement that apply upon grant of the tenement EL 59/2402 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 2020, 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 shares and options will be issued out of the existing ASX listing rule 7.1 capacity of SBR.