



SABLE RESOURCES LTD.

**Management's Discussion and Analysis
For the three and nine month period ended September 30, 2020**

Management Discussion and Analysis as of November 20, 2020

The purpose of this Management's Discussion and Analysis ("MD&A") is to explain management's point of view regarding the performance of Sable Resources Ltd. (the "Company" or "Sable"). This MD&A also provides information to improve the readers' understanding of the consolidated financial statements and related notes as well as important trends and risks affecting the Company's financial performance and should therefore be read in conjunction with the interim condensed consolidated financial statements of the Company for the period ended September 30, 2020 ("Financial Statements"). This MD&A contains forward-looking information and statements which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors' approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets to review all financial reports, prior to filing.

Forward Looking Information

This MD&A contains certain statements that may be deemed "forward-looking statements," as defined by Canadian securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, prices of gold, reserve or resource potential, exploration and operational activities, and events or developments that the Company expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Company believes that these statements are based on reasonable assumptions, all forward looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The Company and its operations are also subject to a large number of risks, including: The Company's liquidity and financing capability, fluctuations in gold prices, market conditions, results of current exploration activities, the possibility of a labour stoppage or shortage, delays in obtaining government permits and approvals and such other risks as discussed herein and in other publicly filed disclosure documents. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause performance, events, or circumstances to differ materially from those described in forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not to place undue reliance on forward-looking statements contained in this MD&A. Forward-statements are made based on management's beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.

Qualified Person

The scientific and technical information contained in the Management Discussion and Analysis has been reviewed and approved by Luis Arteaga, Sable's Vice President, Exploration, who is a "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Description of Business

The Company is a Canadian listed public company with its shares traded on the TSX Venture Exchange ("TSXV") under the symbol "SAE" and on the OTC Venture Market (OTCQB) under the symbol "SBLRF". The Company is engaged in the acquisition, exploration, and development of mineral resource properties through its phase exploration methodology in the countries of Mexico and Argentina. The Company currently has interests in the following projects/targets as of the date of this MD&A:

Mexico

- The Manzana-fractions mineral titles (including the Vinata Project); and
- Mexico Regional Project including Manzanas, Corregidora (and El Escarpe targets), Sain Alto, and Caolin Mineral Applications.

Argentina

- Don Julio Project (multiple targets including Lodo, Colorado, San Gabriel, La Gringa, Fermin and Heaven Hill and Esperanza);
- El Fierro Project;
- La Poncha; and
- San Juan Regional Program.

Recent Developments

Sable has advanced exploration activities in Mexico and Argentina with highlights of activities outlined below. The Company also continued its evaluation of other prospective projects in Latin America that would complement the Company's existing asset base.

On September 10, 2020, the Company closed a private placement for total gross proceeds of approximately \$9,887,206 (the "Offering"). The Offering was conducted by a syndicate of agents led by Sprott Capital Partners and included Haywood Securities Inc. (the "Agents"). In connection with the Offering, the Company issued an aggregate of 65,914,707 units of the Company at a price of \$0.15 per unit. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant, with each full warrant entitling the holder to purchase one common share at an exercise price of \$0.20 until September 10, 2023. In connection to the Offering, the Company paid the Agents a cash commission of 6% of the gross proceeds of the Offering and issued to the Agents broker warrants equal to 3% of the number of units sold pursuant to the Offering. Each broker warrant is exercisable to acquire one unit at \$0.15 until September 10, 2022.

On October 13, 2020, Osisko Gold Royalties Ltd. ("Osisko") exercised its right to acquire a second 1% net smelter return royalty through the payment of \$5,500,000 pursuant to the Royalty Purchase Agreement entered between the Company and Osisko in September 2019.

On November 10, 2020, the Company and its wholly-owned subsidiary, Exploraciones Sable, S. de R.L. de C.V., entered into an Option Acquisition Agreement with Magna Gold Corp. ("Magna") and Molimentales del Noroeste, S.A. de C.V. (the "Purchaser"), a subsidiary of Magna, for the sale of the option agreement on the Margarita Silver Project. In exchange for acquiring the option rights to the Margarita Silver Project, the Purchaser has agreed to pay Sable \$1,500,000 in cash and to issue 3,219,278 Magna shares equal in value to \$3,500,000, based on the previous 15 trading days prior to the date of the Option Acquisition Agreement. On November 18, 2020, the Company completed the sale of the Margarita Silver Project to Magna.

On November 17, 2020, the Company announced that it had entered into two option agreements for land surrounding the El Fierro project. Under the terms of the first agreements, Sable can acquire 100% of two claims for a total cost of USD\$81,000 in annual payments over a three-year period. Under the terms of the second agreement, Sable can acquire 51% of eight claims completing payments for a total of USD\$640,000 in four years. Subsequent to these payments, and during the following two-year period, Sable can acquire the remainder 49% of the properties by making a single payment of USD\$900,000.

Mexico

In the first quarter 2020, the Company completed 1,018m of drilling at Vinata North distributed in six holes as a continuation of the drilling campaign initiated mid-November 2019. Drilling activities were suspended in early March due to COVID-19. The follow up of targets generated from stream sediment, geophysics, and ASTER in our Mexico land package has recently been reinitiated with our team conducting basic prospecting, mapping and sampling. Additionally, relogging of Vinata's drill core combined with more detailed surface mapping and reinterpretation of the available geophysical data is currently advancing and will guide the definition of a new drilling campaign that includes both Vinata South and North.

Argentina

At Don Julio, the field program that commenced in 2019 included detailed mapping and sampling of the Fermin Skarn, San Gabriel, and Colorado targets within the Don Julio Cluster and with first pass trenching and rock and soil sampling at the Los Pumas target outside the main Don Julio Cluster. The field program was halted in March 2020 due to COVID-19 restrictions. An 1,100 km drone Mag survey covering all the targets at Don Julio is planned to commence in January 2021. At El Fierro, the Company undertook a preliminary confirmation sampling and mapping program at the Fierro Bajo and Fierro Alto targets that identified four discrete outcropping structures over a 2 km by 500m footprint and confirmed a strong mineralized system is present and demonstrated the existence of very high-grade silver ore shoots, including high gold values, never assayed historically at El Fierro. Field work at the El Fierro project has defined three important mineralized centres: Fierro Bajo, Fierro Alto and La Verde, with very high-grade Ag, Pb, Zn, Cu, Au results released in press releases dated July 28, August 12, September 15 and September 30, 2020. The Company also continued its evaluation of new projects in the San Juan region.

Peru

During the period ended September 30, 2020, Sable terminated the Scorpius and Kirio option agreements.

Outlook

In Mexico, Sable's exploration plan for the remainder of 2020 is to refine the geological understanding of the Vinata project and advance the first round of drilling at Vinata South and the second round of drilling at Vinata North. In Argentina, the Company will advance preparation for drilling at the El Fierro project where additional mapping, sampling and geophysics will be undertaken covering Fierro Bajo, Fierro Alto and La Verde in advance of drilling that is currently scheduled to commence in February 2021. In preparation for drilling, the Company will obtain all necessary drilling permits and upgrade road works to gain better access to the target zones and prepare a camp site. At the Don Julio project, in preparation for the January 1,100 km drone Mag survey, the Company is planning to upgrade and build new access roads and prepare the camp site.

Sable will continue with a systematic exploration approach doing target generation work within the Company's large land packages in Mexico and the San Juan province of Argentina.

Sable continues to evaluate properties for acquisition or staking to expand its prospective land package.

Exploration Properties

Mexico

Vinata Project

The Vinata Project is located in the Municipality of Chihuahua, State of Chihuahua, Mexico, 50 km south of the city of Chihuahua. The project is located along possible extensions of known important mineral belts of northern Mexico including base metal CRD deposits as Santa Eulalia (50 km northeast of Vinata) and Naica (75 km southeast of Vinata), and the polymetallic vein system of the Gatos Silver's Cerro Los Gatos mine, located 75 km southwest of the Vinata Project.

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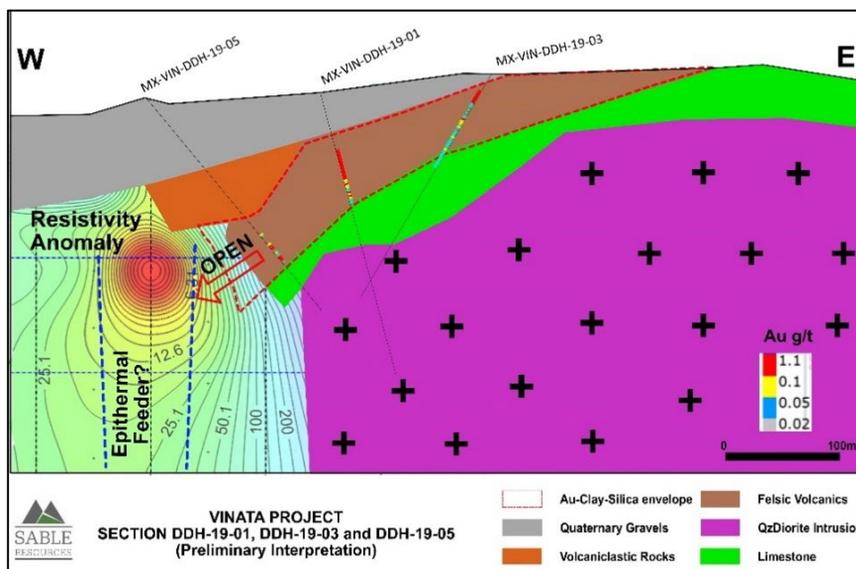
Two mineralized areas have been identified in the project, Vinata North and Vinata South, which are separated by an area of approximately 3,500m covered by shallow quaternary gravels. No historical mine workings exist at Vinata North and only a few small historical manganese occurrences exist at Vinata South, where waste dumps are very small, and there is no knowledge or evidence of past processing plants or tailings.

The Vinata Project was initially identified through a stream sediment follow up program. At Vinata Norte the system consists of a series of NNE oriented quartz veins that outcrop along a strike length of 1,150m with quartz vein float extending an additional 450m to the southeast and for more than 1000m toward the NW. The system consists of multiple sub-parallel veins and stockwork zones with epithermal textures over widths ranging from 15m to 170m. Individual veins vary in width from <1m up to about 12m with anomalous Au, Sb, As, and Hg values in rock samples. At Vinata South, historical artisanal mine workings followed Mn-Fe oxides zones along breccias and faults and in addition to high Mn-Fe values, rock samples are strongly anomalous in Sb, As, Ba, Mo, and Zn.



MX-VIN-DDH-20-01. Sample ES-0022. 62.5 to 64.0m. 0.893 g/t Au

Drill permits were granted in July 2019 and after completing 170 km of ground magnetics and 8.9 km of CSAMT in September 2019, the Company undertook a first phase drill program in October 2019. By year end 2019, Sable had completed 1,779m of drilling in six drill holes at Vinata North and received results from 530 samples. Although surface sampling at Vinata Norte only reported a couple of values over 100 ppb Au associated to As, Sb, and Hg anomalies, the available 2019 drilling data shows a pervasive argillic alteration with long intersects of low-grade gold values, but with most of gold results consistently anomalous. From the 254 samples taken, 187 samples present values varying between 20 ppb and 1.1 g/t Au with an average value of 130 ppb Au with associated significant As, Sb anomalies and some erratic Hg, Mo, Mn, and Ba anomalies.



Preliminary Interpretation of geology at Vinata North

In late January 2020, the Company resumed drilling at Vinata North. Drilling encountered strong technical difficulties associated with the instability of quaternary gravels and the fault zone that might contain the mineralization feeder. Five drill holes totaling 1,018m were completed between January and early March before the operation was suspended due to the COVID-19 pandemic. Although none of the five drill holes reached the geological target due to ground conditions, the drilling discovered the presence of large halos of argillic and silica alteration with anomalous gold values strongly suggesting that Vinata is a robust epithermal system that deserves further drilling. Relogging of core and additional geological mapping, combined with reinterpretation of geophysical data is being currently conducted to support a new drilling campaign at both Vinata North and South.

EI Escarpe Target

The style of mineralization at EI Escarpe is a high-level, volcanic-hosted, low to intermediate sulphidation epithermal system. The erosion level is interpreted to be at and just below the paleo-water table, indicating that the complete system is preserved. The depth of any such ore shoots at EI Escarpe is unknown, but it could be as shallow as 100m to 200m beneath the surface. Permitting is currently in process with drilling planned to test potential “bonanza” zones to depth in 2021.

Mexico Regional

Phase 2 work following up stream sediment anomalies within the 39,414 hectares mineral claim recently titled from the Manzana application has been advancing since September. The Company expects to receive titles for its vast mineral applications in Queretaro (Corregidora, Caolin); Zacatecas (Sain Alto) and Chihuahua (Manzana I) in 2021 with the goal of conducting aggressive field work post receipt of title documentation.

Argentina

The Company’s exploration activities in Argentina are entirely focused in the province of San Juan and none of the active projects is covered by glaciers. San Juan is one of the 23 provinces of Argentina, where provinces are fully autonomous, in that they enact their own constitutions, freely organize their local governments, and own and manage their natural and financial resources.

In San Juan, mining is a State Policy which represents more than 27% the provincial GDP and it is the largest gold producer in Argentina (~800,000 oz Au/yr). San Juan Province ranks first in terms of attraction for mining investment in Argentina, and second in Latin America (Fraser Institute, 2019).



Mining has been an important economic activity in the San Juan Province since the 1800’s but has recently flourished with the changes in the constitution during the early 2000’s that promoted the initiation of modern exploration and mining. The Province is home to large mining companies such as Barrick Gold Corp which operates the large Veladero mine since 2005 and has the ownership of two large advanced gold projects named El Carmen and Pascua; Yamana Gold which operated the Gualcamayo Au-Ag mine since opened in 2007 until 2018 when the mine was acquired by Mineros de Antioquia; and Austral Gold operating the Casposo gold mine from 2011 until 2018. San Juan also has important copper resources in advanced projects including Filo del Sol (Lundin Mining), Los Azules (McEwen Mining), Altar (Aldebaran Resources), and El Pachon (Glencore).

Don Julio Project

The Company holds the rights to acquire 100% ownership of 58,629 hectares of highly prospective ground in Upper Miocene volcanic rocks in the Frontal Cordillera of Argentina at its Don Julio Project. Located in the pro-mining province of San Juan, the mineral claims are 62 km south of Barrick’s Alturas gold deposit and are interpreted by Sable to represent the southern extension of the prolific >50Moz Au El Indio Gold Belt. To date, Sable has identified 19 epithermal targets and is actively engaged in aggressive field exploration to advance the targets to drilling.



Location of Sable's Don Julio Project in San Juan Argentina

At the Don Julio Cluster area, the identified targets have large footprints. All the identified target zones are permissive to be part of multi-million ounces Au deposits, with Ag and base metals contents, concealed underneath their own low-grade upper hydrothermal levels. Exploration and discovery examples of concealed known large porphyry-epithermal deposits that can be used as exploration models for the Don Julio Cluster include the Au-Cu porphyry, strata bound and vein hosted mineralization of the Far South East – Lepanto - Victoria deposits in the Luzon mineral district in Philippines, blind vein systems like Juanicipio in Fresnillo, Mexico, or the Caspiche Au-Cu porphyry deposit located in the Maricunga region of Chile.

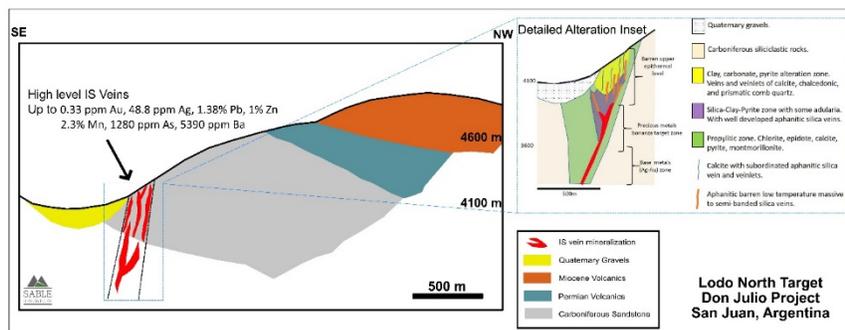
Initial fieldwork undertaken by Sable was concentrated at the Don Julio Cluster where nine of the 19 Aster anomalies are controlled by Sable. The fieldwork identified two drill targets, Heaven Hill and Esperanza, where an initial drill campaign of 3,101m was completed in late 2018. The drill campaign tested two targets and intercepted multiple gold anomalous values and the observed advanced argillic mineralization, however the expected target represented by stratabound vuggy silica zone was not present. Sable's technical team believes the target is represented by a deeper porphyry zone that deserves further exploration.

In 2018 and 2019, the Company advanced further exploration work over the Don Julio Cluster of anomalies, completing 1:2,500 scale detailed mapping over seven of the nine known mineral anomalies. The mapping work was complemented with 1,862 rock samples and 283 talus samples and identified two large epithermal alterations and mineralization at the San Gabriel and Cerro Colorado targets and one skarn system, the Fermin Skarn, on the margins of the porphyry centers. Additional detailed mapping and sampling was undertaken in late 2019 on the Fermin Skarn target and completion of target definition work at San Gabriel and Cerro Colorado precious metals epithermal vein systems outside the main known cluster of anomalies where the Lodo Norte and Lodo Sur targets were discovered.

Drill permits were granted in the fourth quarter of 2019, and the Company will start an ambitious drone Mag survey comprising 1,100km in December 2020 covering all the known targets within the Don Julio cluster.

Don Julio - Lodo Norte and Lodo Sur Targets

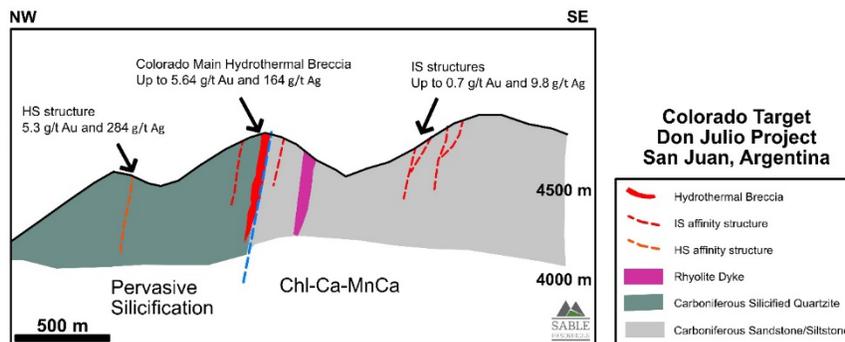
Lodo is located at the northeastern limits of the Don Julio Cluster. The Lodo Norte and Lodo Sur targets were discovered during the last quarter of 2018 where upper level epithermal - intermediate sulphidation style mineralization outcrops for 5,500m along the fault zone. Logo Sur vein thicknesses vary from few centimetres to 10m and extend from more than 1,500m on along strike and geochemical results from the surface sampling program are indicative of upper level epithermal systems. Based on well-known epithermal models, the potential target zone in this large structural-epithermal system is located between 200m and ~400m below the current surface. The target zone is a high-grade Au-Ag (Zn-Pb) quartz vein deposit hosted by faults. Drill permits were granted for Lodo Norte in 2019, and drill permits are expected to be granted for Lodo Sur in Q4 2020.



Conceptual section of the Lodo North target

Don Julio - Colorado Target

The Colorado target zone is located just south of the Lodo Norte target where the style of mineralization shows a transition from high sulphidation to intermediate sulphidation epithermal. The target zone extends roughly 2 km in the NW-SE direction and ~1 km in the NE-SW direction. Geochemical results reported significant values of gold (5.37 g/t), copper (1.4%) and silver (284 g/t). Large parts of the target zone are covered by talus so implementation of the final drill plan will be assisted by ground geophysics. Drill permits were granted in December 2019.



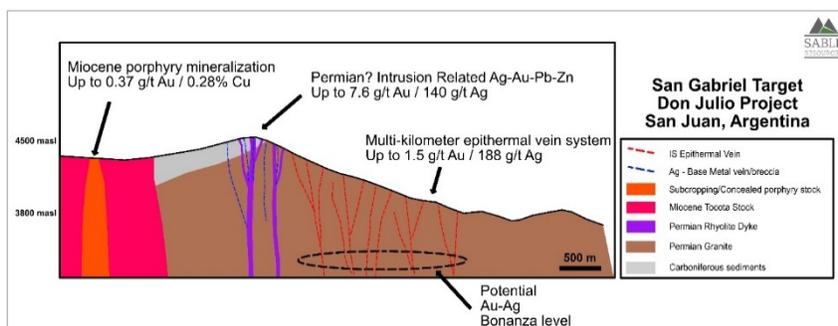
Conceptual section of the Colorado target

Don Julio - San Gabriel Target

The San Gabriel target was originally identified by ASTER multi-spectral alteration anomalies in 2017. Follow up phase 2 mapping and sampling was done during the 2018-2019 summer season defining a roughly 3 x 1.2 km E-W corridor of veins formed by two separated clusters of veins named by Sable San Gabriel Norte and San Gabriel Sur. More than 4.5 km of outcropping veins were mapped with individual vein thickness ranging between few centimetres to 15m and 100m to 500m extensions along strike.

Results from the extensive channel and panel chip samples done during the 2018-2019 field season reported maximum values of some elements as follows. San Gabriel Sur: Au up to 7.6 ppm (selective small veinlets) and 1.5 ppm next highest value, Ag 188 ppm, Ba 4800 ppm, Cu 2450 ppm, Mn up to 25700 ppm, Pb 1.3%, Zn 11.4% (selective vein) and 2.4% next highest Zn value. For San Gabriel Norte: Au 432 ppb, Ag 20 ppm, Ba 1000 ppm, Cu 637 ppm, Mn 5070 ppm, Pb 2710 ppm, and Zn 1110 ppm.

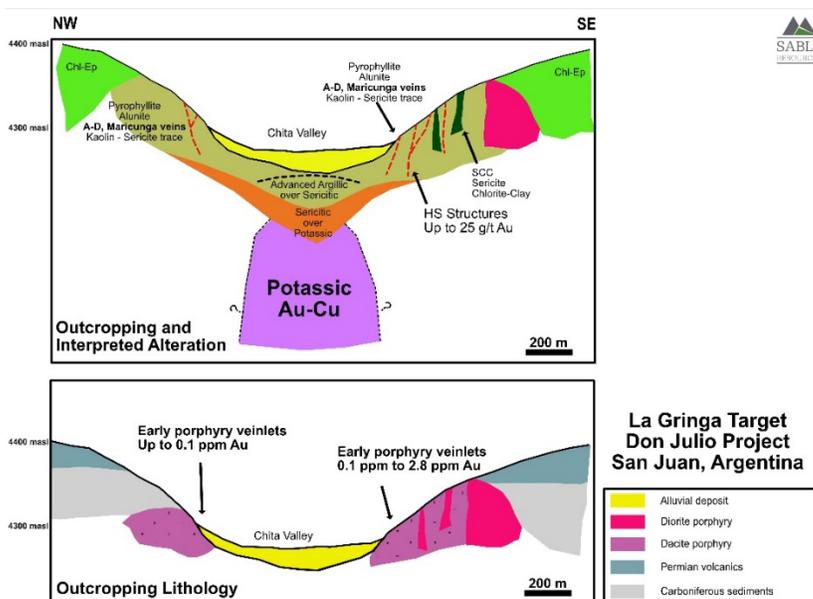
San Gabriel represents typical features of upper level intermediate sulphidation epithermal mineralization, with potential high-grade Ag-Au (Zn-Pb-Cu) quartz vein target zones located below the current surface exposures of the epithermal system. Drill permits were granted in December 2019.



Conceptual section of the San Gabriel target

Don Julio - La Gringa Amarillo Target

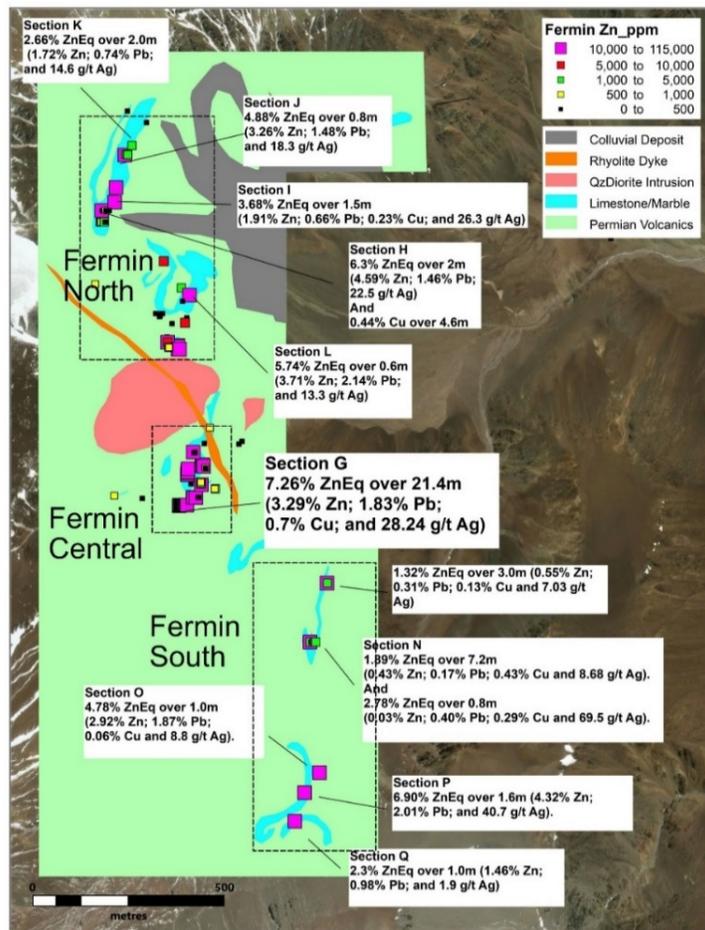
Amarillo is a target zone that has been explored by five different companies since 1998. Historical work includes >10,000m of drilling, geochemistry, and ground geophysics and included the identification of a few outcropping high-grade Au samples (including one > 1000 g/t Au) hosted by narrow veins. Sable is the first company that recognized porphyry style mineralization and the spatial and likely genetic connection with the roots of a high sulphidation system in a zone previously explored by prior owners. The style of alteration and veining is permissive for Au-rich porphyry style mineralization, similar to the multi-million-ounce deposits in the Maricunga Gold Belt of central Chile. Final target definition work will be assisted by ground geophysics, including magnetometry and possible IP or CSAMT, which is expected to be conducted early 2021.



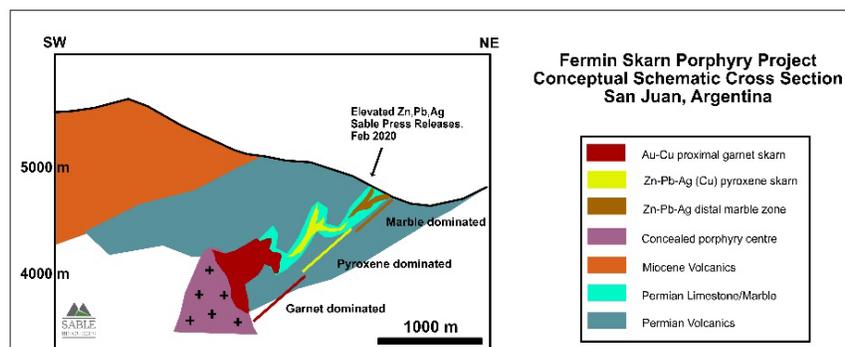
Conceptual section of the La Gringa target

Don Julio - Fermin Skarn Target

Exploration work undertaken by Sable in the 2018-2019 field seasons discovered skarn mineralization with observed thicknesses ranging from 10cm to several metres. The mineralized zone has been systematically sampled in multiple sections and results were released by in Q1 2020 with the best intersection 7.26% ZnEq over 21.4m. ZnEq is calculated combining anomalous values of Zn, Pb, Ag, and Cu. The mineralization is continuous along strike and is interpreted as the distal part of a concealed Au-Cu skarn porphyry system to the west.



ZnEq values in different sampling sections at the Fermin skarn target

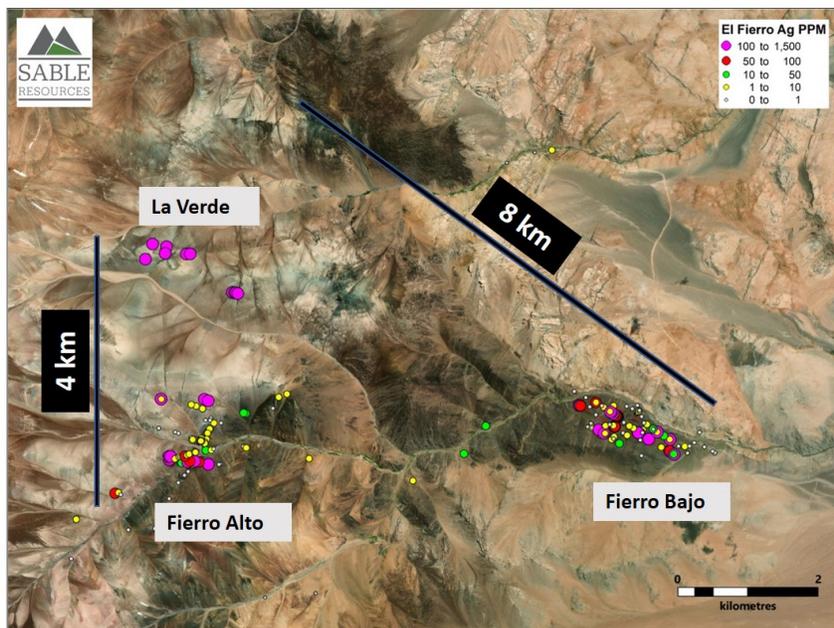


Conceptual Section of the Fermin target

El Fierro Project

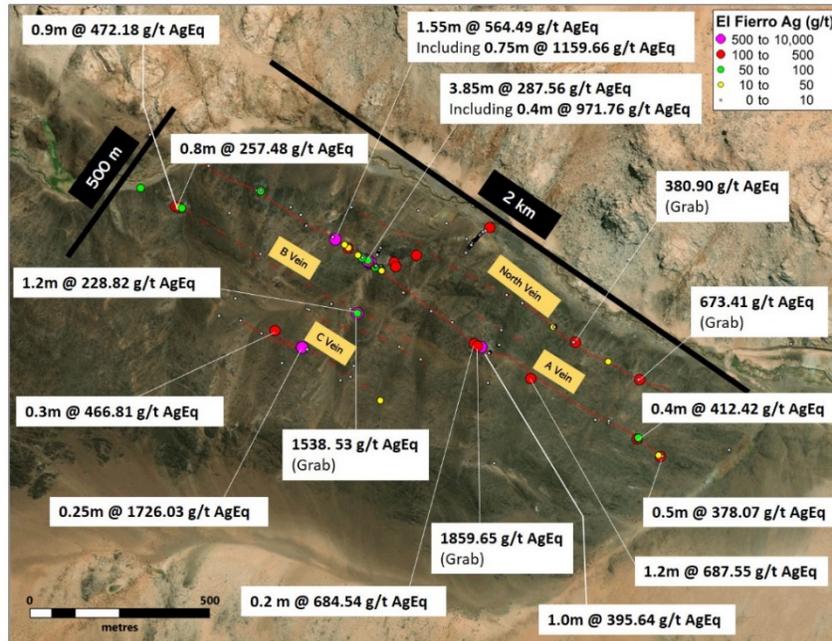
During the first quarter of 2020, the Company entered into two option agreements (Agreement A and B) for a group of properties covering El Fierro Project. Both agreements comprise of 12 claims totaling 6,054 hectares. El Fierro is located 250 km NW of San Juan city and 120 km North of Sable's Don Julio Project which is one of the best known historical mining districts in the San Juan province. El Fierro is a historic small scale mining district where silver, lead, and zinc were intermittently mined since the late 1800's until the 1960's decade. The area has not seen any modern exploration and has never been drilled.

Field work conducted during the second quarter of 2020 defined three important mineralized centres: Fierro Bajo, Fierro Alto and La Verde forming a district scale footprint of 8km by 4km.



Location of mineralized zones at El Fierro Project

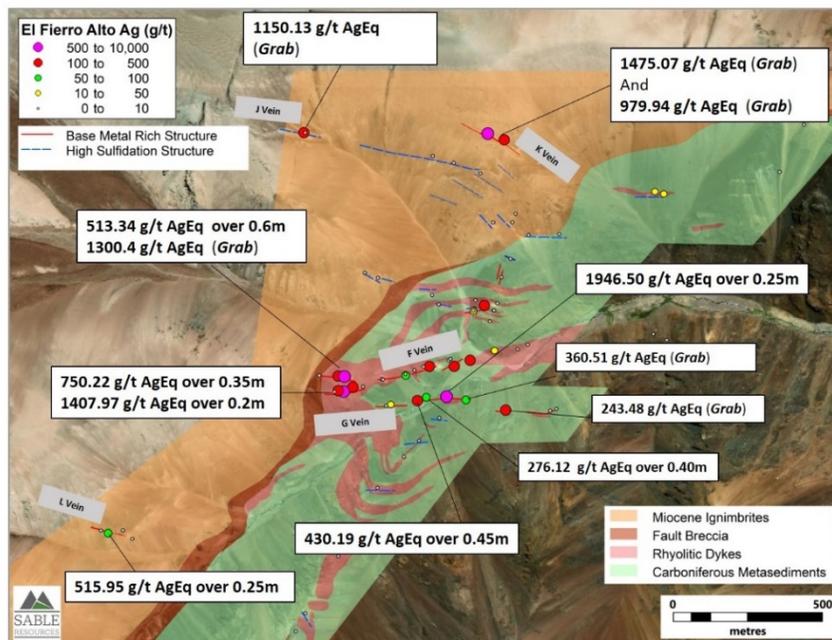
Mineralization at Fierro Bajo is hosted by four mineralized NW structures within an area of 500m by 2km; details of the mapping and sampling program were released in August identifying five structures and highlighted values as high as 1859.65 g/t AgEq. Fierro Alto results were released in September showing values up to 1,946 g/t AgEq. The most recently found and released area is La Verde, located 3km north of Fierro Alto where three WNW trending structures were found. The La Verde target exhibits the highest Au results within the entire project with samples up to 16.7 g/t Au and also the highest silver equivalent values in the project with up to 2,582.06 g/t AgEq. Additional mapping and sampling work are required at La Verde as well as further exploration to assess the potential in areas between the three main zones. Maps showing the distribution of mineralized structures and values are presented below.



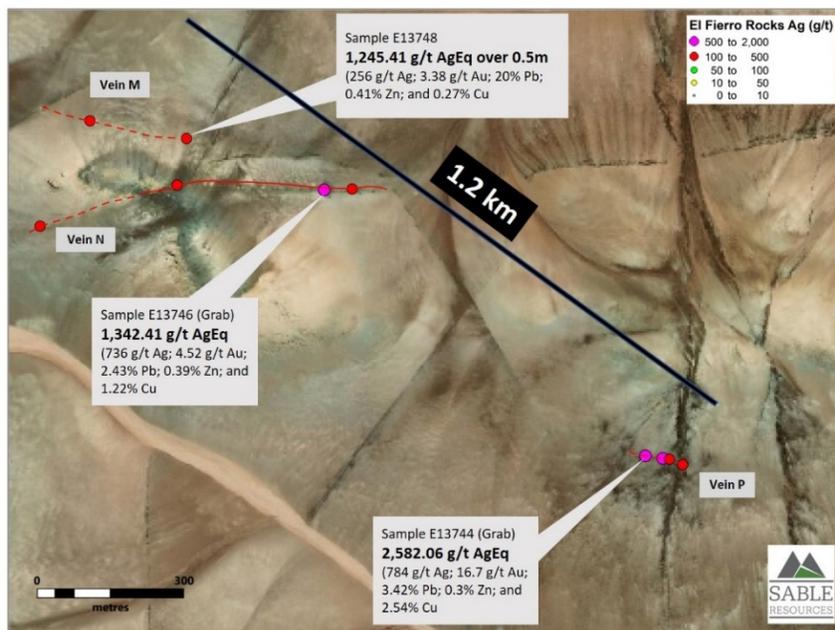
Results from mapping and sampling program at El Fierro Bajo zone



Sample E01693 from Fierro Bajo. Highest individual sample in the project (12,181 g/t Ag and 17,531 g/t AgEq)



Results from mapping and sampling program at El Fierro Alto zone



Results from prospection and sampling program at La Verde zone

Activities planned for Q4 2020 include a GroundMag survey covering the three described areas along NS lines with 100m spacing as well as IP surveys at Fierro Bajo and Fierro Alto areas as well as soil sampling that will target the potential extension of the NW veins at Fierro Bajo. Geological mapping and prospection to connect the three zones will provide a solid understanding of the project geology in advance of drilling which has been scheduled for February 2021. This will be the first ever drilling campaign conducted at El Fierro. Permits have been recently granted and the program should advance according to the schedule.

La Poncha

During Q3 2020, Sable signed a letter of intent ("LOI") for the exclusive rights to evaluate the La Poncha property, comprising 16 mining claims totalling 33,760 hectares located 69 km north of Don Julio and 50 km south of the El Fierro project. The project was explored by at least three companies in the past including Golden Arrow (2008), Teck (2009), and Genesis Minerals (2012). These companies completed limited drilling on the property with several encouraging intercepts publicly released at the time. Historical highlights obtained by Golden Arrow in 2008 include 266m @ 1.21 g/t Au and 3.30 g/t Ag (129m – 395m); 61m @ 3.04 g/t Au and 7.16 g/t Ag (270m – 331m); and multiple other intercepts from 2008. In 2012 Genesis Minerals released 12.15m @ 4.87 g/t Au, 15.9 g/t Ag and 0.49% Zn. Pursuant to the LOI, Sable has the exclusive right to evaluate historical data, drill core, and to conduct field work in the property for one year before taking the decision of signing an option agreement for the property. In exchange of this exclusive right, Sable has agreed to pay some overdue obligations for some of the claims that comprise the project.

Sable notes that the mentioned intercepts correspond to information publicly released by the companies and a Qualified Person (QP) has not done enough work to verify these historical assay results. Sable commenced its evaluation of La Poncha in September 2020, organizing, re-logging, and limited re-sampling of historical core existent as well as compilation and review of historical databases. The Company will start field review of the project in November to have sufficient understanding of the mineralization potential before deciding to exercise its right to enter into an option agreement in 2021.

San Juan Regional Program

During the first quarter of 2020, Sable advanced the evaluation of some of its regional targets in San Juan, identifying new styles of mineralization and areas that deserve follow-up. Activities in the regional program were resumed in September with a strong focus on the Los Pumas target, located 21km SE of Don Julio cluster, where an extensive anomaly has been recognized. Multiple high-grade Au-Ag-Cu samples have been obtained and preliminary results will be released in the upcoming weeks.

Selected Financial Information

Current assets at September 30, 2020 were \$11,202,717 versus \$5,019,249 at December 31, 2019. The difference is primarily the result of the Offering for gross proceeds of \$9,887,206 during the period ended September 30, 2020.

Current liabilities at September 30, 2020 were \$416,474 versus \$727,637 at December 31, 2019. The change in the period is due to the decrease in payables and accruals resulting from the timing differences in completing its exploration projects and less activity due to COVID-19 measures that were in place in the Company's project areas from March through September.

Discussion of Operations

For the three month periods ended September 30, 2020 and 2019:

Net loss for the three month period ended September 30, 2020 was \$766,973 compared with net income of \$4,314,504 for the three month period ended September 30, 2019. Changes period over period are attributable to the one-time gain recognized on the sale of the royalty for \$4,947,819. The removal of this one-time item would have resulted in a net loss of \$633,315 for the three month period ended September 30, 2019.

Comparing the periods without the one-time gain relating to the gain on the sale of royalty, the variances between the two periods include:

- Exploration expenditures increased from \$393,553 for the period ended September 30, 2019 to \$474,883 for the period ended September 30, 2020. The increase is primarily due to increased

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spending at the newly acquired El Fierro and La Poncha projects, offset partially by a decrease in exploration activity at the Vinata project.

- General and administration expenses decreased from \$231,511 for the period ended September 30, 2019 to \$225,255 for the period ended September 30, 2020. The decrease is due to professional fees incurred relating to the sale of the royalty during the period ended September 30, 2019.

For the nine month periods ended September 30, 2020 and 2019:

Net loss for the nine month period ended September 30, 2020 was \$2,731,698 compared with net income of \$5,593,070 for the nine month period ended September 30, 2019. Changes period over period are attributable to the one-time gain recognized on the disposal of the BC Properties¹ of \$4,271,370, and the gain on the sale of the royalty for \$4,947,819. The removal of these one-time items would have resulted in a net loss of \$3,626,119 for the nine month period ended September 30, 2019.

Comparing the periods without the one-time gain relating to the sale of the BC Properties and sale of royalty, the variances between the two periods include:

- Exploration expenditures decreased from \$2,417,572 for the period ended September 30, 2019 to \$1,853,735 for the period ended September 30, 2020. The decrease is primarily due to reduced exploration activity at the Margarita project, offset partially by the increase in exploration and property evaluation activities at the El Fierro and La Poncha projects.
- General and administration expenses decreased to \$714,261 for the period ended September 30, 2020 from \$987,293 for the comparable 2019 period which had increased professional fees incurred relating to the sale of the BC Properties and the royalty during the period ended September 30, 2019.
- Share based payments decreased from \$147,827 for the period ended September 30, 2019 to \$130,450 for the period ended September 30, 2020. The decrease is based on the lower number of options issued and their related valuation.

Exploration Expenditures

Exploration expenditures by type	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Exploration expenditures				
Employee compensation	\$ 74,750	\$ 20,525	\$ 174,300	\$ 47,132
Travel	4,542	26,182	157,066	177,784
Labour and technical fees	242,074	238,426	922,649	1,206,098
Drilling	-	-	29,322	387,279
Maintenance	68	332	4,384	6,591
Fuels and lubes	1,968	2,011	26,104	30,599
Freight	-	-	-	1,047
Operating supplies	29,251	4,982	115,148	61,655
Lease and rentals	30,206	24,207	79,150	163,986
Office and general and administrative	81,807	67,926	240,968	197,842
Insurance, bank fees and taxes (non-income)	10,217	8,962	104,644	200,194
Less amounts from discontinued operations (note 4)	-	-	-	(62,633)
Total exploration expenditures	\$ 474,883	\$ 393,553	\$ 1,853,735	\$ 2,417,572

¹ On April 17, 2019, the Company completed the sale of its BC Properties (see press releases of January 25, 2019, April 22, 2019 and August 23, 2019) to Talisker Resources Ltd. ("Talisker") in exchange for \$500,000 in cash and 30,000,000 common shares of Talisker and granting Sable a 1.0% net smelter return royalty on each of the BC Properties.

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Exploration expenses by project	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Exploration expenses				
Baker	\$ -	\$ -	\$ -	3,265
Blue Jay	-	-	-	1,500
Bot	-	-	-	3,500
Don Julio	124,186	121,408	1,083,012	1,136,561
Margarita	1,291	32,199	2,724	919,927
Mexico Regional	65,391	23,629	138,931	23,629
Sauchi Creek	-	-	-	2,500
Kirio	-	-	23,727	-
Scorpius	5,147	41,649	60,267	114,949
Tulameen South	-	-	-	2,000
Tulox	-	-	-	49,868
Vinata	61,666	174,668	297,107	222,506
El Fierro	158,836	-	189,601	-
La Poncha	58,366	-	58,366	-
Less amounts from discontinued operations (note 4)	-	-	-	(62,633)
Total exploration	474,883	\$ 393,553	\$ 1,853,735	2,417,572

Property Maintenance Expenditures

Property Maintenance	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Employee related	\$ -	\$ -	\$ -	\$ 392
Contractors	-	-	14,577	11,500
Office and general and administrative	-	-	-	5,229
Less amounts from discontinued operations (note 4)	-	-	(14,577)	(17,121)
Total property maintenance	\$ -	\$ -	\$ -	\$ -

Property maintenance expenditures are related to the Baker Project, where the Company engaged various consultants to bring environmental and tailing facility compliance requirements to good standing post the sale of the BC Properties. The mining permits for the Baker Project are now in good standing, and will be transferred as directed by Talisker Resources Ltd.

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight quarters with the figures for each quarter on a cumulative year-to-date.

Quarter Ending	Revenue \$	Net Income (Loss) \$	Net Income (Loss) per share \$
September 30, 2020	nil	(766,973)	(0.01)
June 30, 2020	nil	(628,196)	(0.01)
March 31, 2020	nil	(1,336,529)	(0.01)
December 31, 2019	nil	(1,844,750)	(0.01)
September 30, 2019	nil	4,314,504	0.03
June 30, 2019	nil	2,984,484	0.02
March 31, 2019	nil	(1,705,947)	(0.01)
December 31, 2018	nil	(4,251,921)	(0.05)
September 30, 2018	nil	(1,394,532)	(0.01)

Net income (loss) has fluctuated over the past eight quarters. The Company incurred a significant net loss in the fourth quarter of 2018 with higher than normal exploration costs relating to the 3,101m drill program conducted at Don Julio. The Company incurred net income in the second and third quarters of 2019 due to a gain realized on the disposal of the BC Properties and a gain on the sale of a 1% NSR to Osisko Gold Royalties, respectively. The net loss incurred during the second and third quarters of 2020 was due to reduction in exploration activities in response to the COVID-19 pandemic.

Liquidity and Capital Resources

The Company has no known mineral resources and is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets, the sale of mineral properties and the sale of royalties from time to time. The Company's liquidity and capital resources are as follows:

- As at September 30, 2020 the Company had a cash and cash equivalents position of \$11,037,433 and working capital of \$10,786,243. The increase in cash is related to the closing of a private placement of \$9,887,206 during the period, partially offset by exploration and general and administrative expenses incurred during the period.

The Company's capital management objectives are to raise the necessary funds for its exploration projects and to manage these funds to best optimize its exploration and mining programs in the interests of its shareholders and other stakeholders at an acceptable risk.

In the management of capital, the Company includes shareholders' equity and cash and cash equivalents in the definition of capital.

The Company manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may raise additional equity funds and acquire new exploration properties as circumstances dictate.

Outstanding Share Data

Issued Capital

The Company's authorized share capital consists of an unlimited number of common shares. As at September 30, 2020 an aggregate of 228,156,604 common shares were issued and outstanding and as at the date hereof.

Stock Options

The Company had 14,200,000 options as of September 30, 2020 and 18,250,000 options as at the date hereof.

Share Purchase Warrants

The Company had 55,553,411 warrants outstanding as of September 30, 2020 and 49,953,411 warrants as at the date hereof.

Off-Balance Sheet Transactions

The Company did not have any off-balance sheet arrangements as at September 30, 2020 or as of the date of this MD&A.

Related Party Transactions

Following is a summary of the Company's related party transactions during the period ended September 30, 2020 and 2019:

- The Company incurred exploration costs in the amount of \$37,664 (September 30, 2019 - \$58,336) paid to Talisker Exploration Services Ltd., a private exploration services company with shared directors and officers. Included in payables and accruals at September 30, 2020 are \$nil (December 31, 2019 - \$3,781).

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- The Company was remunerated for shared exploration and general and administrative costs of \$41,090 (September 30, 2020 - \$49,984) by Talisker Resources Ltd. ("Talisker"), a company with shared directors and officers, for expenses relating to the Baker Project and shared administrative costs. Included in receivables at September 30, 2020 are \$1,610 (December 31, 2019 - \$36,007).
- As of September 30, 2020, the Company has an indemnification agreement for a reclamation obligation relating to the Baker Project with Talisker. The estimated liability is \$846,566 (December 31, 2019 - \$846,566). During the period, Talisker entered into a purchase and sale agreement with TDG Gold Corp., whereby TDG Gold will acquire the Baker Project along with certain other mineral properties from Talisker, and will assume the reclamation obligations of both Talisker and Sable.

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee. The remuneration of directors and other members of key management personnel during the three and six month periods ended September 30, 2020 and 2019 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Short term employee benefits	\$ 173,507	\$ 138,000	\$ 569,592	\$ 435,000
Share based payments	-	-	99,700	240,700
	\$ 173,507	\$ 138,000	\$ 669,292	\$ 675,700

As at September 30, 2020, an amount of \$12,775 (December 31, 2019 - \$60,131) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

Transactions with related parties are recorded at fair value.

Commitments

The Company entered into a shared lease agreement for its Toronto office premises for corporate and technical purposes for a total term of six and a half years. This lease obligation has been recorded in accordance with IFRS 16. Future minimum lease payments are as follows:

	1 year	2-3 years	4-5 Years	More than 5 years
Lease obligation	\$ 30,977	\$ 97,814	\$ 35,372	\$ -

The Company has agreed to indemnify Talisker for any reclamation costs incurred relating to the Baker Shasta property above \$311,266, which costs are estimated to be \$846,566.

Critical Accounting Estimates, Judgements and Uncertainties

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on the historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Critical Accounting Estimates and Assumptions

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

Share-based Payments

The Company applies the Black-Scholes pricing model to estimate the fair value of stock options granted and warrants issued, which is expensed to the statement of loss and comprehensive loss over each option award's vesting period. Under this model, the Company must estimate the term, volatility, the forfeiture rate of options granted, and warrants issued. Changes in these input assumptions can significantly affect the fair value estimate.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Functional Currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which each operates. The Company has determined that its functional currency is the Canadian dollar. The determination of functional currency may require certain judgements to determine the primary economic environment. The Company reconsiders the functional currency used when there is a change in events and conditions which determined the primary economic environment.

Determination of Cash Generating Unit (CGU)

In determining a CGU, management had to examine the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or groups of assets. The Company has determined that each important geographic location of its mineral interest qualifies as a CGU. Each of these assets generates or will have the ability to generate cash inflows that are independent of the other assets and therefore qualifies as an individual asset for impairment testing purposes.

Amortization Rates

The application of determining the useful lives of equipment are estimates by management based on assumptions about future events. Estimates and assumption made may change if new information becomes available. New information may become available during the use of the equipment that causes the Company to adjust its estimate.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Impairment of Non-financial Assets

The Company reviews and evaluates tangible and intangible assets, including mineral property interests, for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. An impairment test is conducted if an indication of impairment is found to exist.

Income Taxes

The Company recognizes deferred tax assets relating to tax losses carried forward only to the extent there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Recoverability of Value-Added Tax Receivables

The Company reviews and evaluates assumptions regarding the recoverability of value-added tax ("VAT") receivables in Mexico and Argentina at the end of each reporting period considering the relevant facts and circumstances, including past collectability and the general economic environment of the country to determine if a provision for the VAT receivable is required. As the amount receivable depends on performance by the government in Mexico and on the Mexican properties moving into commercial production, the timing and amount of collection for the VAT receivables may be materially different from the amount recorded in the consolidated financial statements.

Changes in Accounting Policies

IAS 1 & 8, Definition of Material

The amendment clarifies the definition of material to make it easier to understand and provides guidance on how the definition should be applied. The change in the definition now ensures that the definition is consistent across all IFRS standards and the Conceptual Framework.

- Old definition (IAS 1): Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements.
- New definition: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors has been removed.

IAS 1 & 8 was effective for annual periods beginning on or after January 1, 2020. The adoption of IAS 1 & 8 amendments did not have a material impact on the condensed interim consolidated financial statements.

IFRS 3, Business Combinations

Amendment to IFRS 3 clarifies whether entities acquire a business or a group of assets. The amendments:

- confirm that a business must include inputs and a process, and clarified that:
 - the process must be substantive; and
 - the inputs and process must together significantly contribute to creating outputs.
- narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

IFRS 3 was effective for annual periods beginning on or after January 1, 2020. The adoption of IFRS 3 amendment did not have a material impact on the consolidated financial statements.

There are no additional standards not yet effective that would have an impact on the interim consolidated financial statements.

Financial Instruments and Other Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. As of the date hereof, the Company's investment in resource properties has full exposure to commodity risk, both upside and downside. As commodity price moves so too does the underlying value of the Company's gold projects.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Risks Factors

There are many risk factors facing companies involved in the mineral exploration industry. Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all the risks inherent to the industry, the Company strives to manage these risks, to the greatest extent possible. The following risks are most applicable to the Company but may not be the only risks faced by the Company. Risks and uncertainties not presently known by the Company or which are presently considered immaterial may also adversely affect the Company's business, projections, results of operations and/or conditions (financial or otherwise).

Industry and Mineral Exploration Risk

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's exploration efforts will be successful. At present, the Company's projects do not contain any proven or probable reserves. Success in establishing reserves is a result of a number of factors, including the quality of the project itself. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Because of these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves.

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond the Company's control.

The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

The Company may be subject to risks which could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks. The Company attempts to balance this risk through ongoing risk assessments conducted by its technical team.

Geopolitical Risk

The Company may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Company cannot be predicted. Any changes in regulations or shifts in political attitudes that may result, among other things, in significant changes to mining laws or any other national legal body of regulations or policies are beyond the control of the Company and may adversely affect its business

Sources of Funds Risk

The only sources of funds presently available to the Company are the sale of equity/debt capital or the sale by the Company of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that such sources will continue to be available, in the short term or at all. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its proposed operations and the loss of some or all of the value of an investment in the securities.

Operating Hazards Risks

Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, weather conditions and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in extraction operations and the conduct of exploration programs. The Company's exploration activities will be subject to the availability of third-party contractors and equipment. There are also physical risks to the exploration personnel.

The Company maintains insurance for amounts which it considers adequate, however, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Pandemic Diseases

The Company's operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases. These infectious disease risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's exploration operations to operate as intended due to shortage of skilled employees, shortages in supply chains, inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, the declines in the price of precious metals, capital market volatility, or other unknown but potentially significant impacts. Given the fact that the Company's properties are located in Argentina and Mexico, there are potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infection disease outbreak. As such, both catastrophic outbreaks as well as regional and local outbreaks can have a significant impact on the Company's operations. The Company may not be able to accurately predict the quantum of such risks. In addition, the Company's own operations are exposed to infection disease risks noted above and as such the Company's operations may be

adversely affected by such infection disease risks. Accordingly, any outbreak or threat of an outbreak of a virus or other contagions or epidemic disease could have a material adverse effect on the Company, its business, results from operations and financial condition.

COVID-19

The Company highlights that it continues to face risks related to COVID-19, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

In December 2019, a novel strain of the coronavirus emerged in China and the virus has now spread globally resulting in a global pandemic with over 1.3 million confirmed deaths and close to 56 million confirmed cases of COVID-19 as of the date of this MD&A according to the World Health Organization. The extent to which COVID-19 will continue to impact the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of operations.

Commodity Price Risk

The Company is subject to commodity price risk for the sale of gold and silver. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from the extraction of mineral products. As such, the effect of these factors on the price in future product sales, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Currency Risk

Foreign currency risk is the risk that the fair value of the Company's financial assets and liabilities will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk with respect to cash balances and transactions as a portion of these amounts are denominated in US dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

Environmental Risk

Exploration projects or operations are subject to the environmental laws and applicable regulations of the jurisdiction in which the Company operates. Environmental standards continue to evolve, and the current trend is moving toward a longer, more complete and rigid process. The Company reviews environmental matters on an ongoing basis. When appropriate, the Company will make appropriate provisions in its financial statements for any potential environmental liability. However, there is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of

additional equipment, or remedial actions. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Permits and Licenses Risks

The operations of the Company will require licenses and permits from various governmental authorities. The Company believes it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct and intends to comply in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that the Company will be able to obtain and maintain, at all times, all licenses and permits required to undertake its proposed exploration or to place its properties into commercial production and to operate mining facilities if its exploration programs are successful. Amendments to current laws and regulations governing the operating and activities of the Company and the more stringent implementation thereof could have a substantial adverse impact on the business, financial condition and the results of operations of the Company. Obtaining necessary permits, leases and licenses can be a complex, time consuming process and the Company cannot be certain that it will be able to obtain necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits, leases and licenses and complying with these permits and applicable laws and regulations could stop, delay or restrict the Company from proceeding with the development of an exploration project or the development and operation of a mine. Any failure to comply with applicable laws and regulations or permits could result in interruption or closure of exploration, development or mining operations, or fines, penalties or other liabilities. The Company could also lose its licenses or permits under the terms of its existing agreements.

Title Matters Risk

While the Company has followed and intends to follow standard industry accepted due diligence procedures with respect to title for any mineral claims in which it has or will acquire a material interest, there is no guarantee that title to such properties will not be challenged or impugned. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers or aboriginal land claims. Surveys have not been carried out on the Company's mineral properties, and their boundaries and areas could be in doubt. In addition, claims have been made and new claims are being made in Canada by aboriginal peoples that call into question the title to properties. Until competing interest in the mineral land have been determined, the Company can give no assurance as to the validity of title of the Company to those lands or the size of such mineral lands.

Competition and Marketability Risks

The resource industry is intensely competitive in all its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire suitable properties for exploration in the future.

Key Management Risk

The success of the Company's future business is largely dependent on a relatively small number of key members of management. The loss of any key member could be detrimental if a suitable replacement could not be found at a comparable compensation level.

Internal Controls over Financial Reporting and Disclosure

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with Canadian generally accepted accounting principles.

TSXV listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional information on the Company can be found on the Company's website at www.sableresources.com or at SEDAR at www.sedar.com.