



SABLE RESOURCES LTD.

**Condensed Interim Consolidated Financial Statements
As at and for the three and nine months ended September 30, 2022 and 2021**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by the entity's auditor.

SABLE RESOURCES LTD.**Condensed Interim Consolidated Statements of Financial Position**

(Expressed in Canadian Dollars)



	Note	September 30 2022	December 31 2021
Assets			
Current Assets			
Cash and cash equivalents	5	\$ 16,890,845	\$ 22,751,313
Investments	6	-	1,054,709
Receivables	7,15	45,245	30,393
Prepaid expenses and deposits		195,451	76,976
		17,131,541	23,913,391
Taxes receivable	7	74,448	-
Property and equipment	8	305,740	387,877
Mineral property interests	9	5,169,037	4,168,275
		\$ 22,680,766	\$ 28,469,543
Liabilities			
Current Liabilities			
Payables and accruals	10,15	\$ 389,901	\$ 1,049,954
Income tax payable		-	101,891
Current portion of lease liability	11	29,995	29,275
		419,896	1,181,120
Lease liability	11	65,691	88,276
Deferred exploration recovery	18	5,532,668	1,839,655
		6,018,255	3,109,051
Shareholders' equity			
Issued capital	12	54,891,401	53,067,068
Accumulated other comprehensive loss		(1,437,104)	(949,959)
Contributed surplus	12	4,852,230	4,849,305
Deficit		(41,644,016)	(31,605,922)
		16,662,511	25,360,492
		\$ 22,680,766	\$ 28,469,543

Nature of operations (Note 1)

Subsequent events (Note 20)

APPROVED ON BEHALF OF THE BOARD:*Signed: "Thomas Obradovich"*Thomas Obradovich
Director*Signed: "Andres Tinajero"*Andres Tinajero
Director

The accompanying notes are an integral part of these consolidated financial statements.

SABLE RESOURCES LTD.
Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss

(Expressed in Canadian Dollars)



	Note	Three months ended September 30		Nine months ended September 30	
		2022	2021	2022	2021
Property related expenses					
Exploration expenditures	15	\$ 1,284,002	\$ 1,328,229	\$ 13,076,028	\$ 5,156,688
Property evaluation and investigation		12,857	-	12,857	-
General and administrative expenses	15	493,247	353,882	1,488,357	998,030
Share-based expense	12	-	-	2,925	-
		1,790,106	1,682,111	14,580,167	6,154,718
Other expenses (income)					
Provision for value-added tax receivable	7	126,395	316,669	1,912,617	1,157,910
Interest income		(88,448)	(14,682)	(436,165)	(33,569)
Foreign exchange		97,504	90,882	263,437	33,492
Gain on disposal of equipment		-	-	(22,746)	-
Loss on disposal of investments		-	(27,865)	-	(27,042)
Gain on use of marketable securities	16	(694,201)	(709,586)	(6,259,216)	(2,062,530)
Net loss		\$ 1,231,356	\$ 1,337,529	\$ 10,038,094	\$ 5,222,979
Items that may be reclassified subsequently to profit and loss:					
Change in fair value of investments	6	-	435,470	80,034	854,288
Foreign currency translation adjustment		73,241	(280,605)	407,111	(189,174)
Other comprehensive loss		73,241	154,865	487,145	665,114
Net comprehensive loss		\$ 1,304,597	\$ 1,492,394	\$ 10,525,239	\$ 5,888,093
Loss per share					
Basic and diluted		\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.02)
Weighted average number of common shares outstanding		285,624,801	247,396,225	279,185,812	247,396,225

The accompanying notes are an integral part of these consolidated financial statements.

SABLE RESOURCES LTD.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Expressed in Canadian Dollars)



	Note	Number of shares	Share Capital	Accumulated Other Comprehensive Loss	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2020		229,756,604	\$ 40,504,571	\$ (145,510)	\$ 4,167,555	\$ (21,466,337)	\$ 23,060,279
Net Loss		-	-	-	-	(5,222,979)	(5,222,979)
Other comprehensive income		-	-	(665,114)	-	-	(665,114)
Shares issued from private placements	12	41,666,600	12,499,980	-	-	-	12,499,980
Shares issued in acquisition of claims	9,12	200,000	44,000	-	-	-	44,000
Exercise of options	12	325,000	48,750	-	-	-	48,750
Exercise of warrants	12	4,750,028	1,071,100	-	-	-	1,071,100
Share issue costs	12	-	(1,141,333)	-	188,750	-	(952,583)
Balance, September 30, 2021		276,698,232	\$ 53,027,068	\$ (810,624)	\$ 4,356,305	\$ (26,689,316)	\$ 29,883,433
Net Loss		-	-	-	-	(4,916,606)	(4,916,606)
Other comprehensive income		-	-	(139,335)	-	-	(139,335)
Exercise of options	12	400,000	40,000	-	-	-	40,000
Share issue costs	12	-	-	-	-	-	-
Share-based expense	12,15	-	-	-	493,000	-	493,000
Balance, December 31, 2021		277,098,232	\$ 53,067,068	\$ (949,959)	\$ 4,849,305	\$ (31,605,922)	\$ 25,360,492
Net Loss		-	-	-	-	(10,038,094)	(10,038,094)
Other comprehensive income		-	-	(487,145)	-	-	(487,145)
Shares issued in acquisition of claims	9,12	400,000	88,000	-	-	-	88,000
Exercise of options	12	1,900,000	285,000	-	-	-	285,000
Exercise of warrants	12	6,966,666	1,451,333	-	-	-	1,451,333
Share-based expense	12	-	-	-	2,925	-	2,925
Balance, September 30, 2022		286,364,898	\$ 54,891,401	\$ (1,437,104)	\$ 4,852,230	\$ (41,644,016)	\$ 16,662,511

The accompanying notes are an integral part of these consolidated financial statements.

SABLE RESOURCES LTD.**Condensed Interim Consolidated Statements of Cash Flows**

(Expressed in Canadian Dollars)



For the nine month period ended September 30,	Note	2022	2021
Operating Activities			
Net loss		\$ (10,038,094)	\$ (5,222,979)
Items not involving cash:			
Amortization	8	53,648	33,413
Share-based expense	12,15	2,925	-
Provision for value-added tax receivable	7	1,912,617	1,157,910
Gain on sale of investments		-	(27,042)
Gain on disposal of equipment		(22,746)	-
Interest income		(436,165)	(33,569)
		(8,527,815)	(4,092,267)
Changes in non-cash working capital			
Receivables		(2,001,917)	(1,008,324)
Prepays and deposits		(118,475)	(740,912)
Payables and accruals		(660,053)	(310,602)
Income tax payable		(101,891)	(819,606)
Total cash flows used in operating activities		(11,410,151)	(6,971,711)
Financing Activities			
Principle payments on lease liability	11	(21,865)	(19,932)
Proceeds from issuance of shares pursuant to private placement		-	12,499,980
Share issuance costs		-	(950,083)
Proceeds from option exercise	12	285,000	48,750
Proceeds from warrant exercise	12	1,451,333	1,071,100
Total cash flows from financing activities		1,714,468	12,649,815
Investing Activities			
Purchase of equipment	8	(84,092)	-
Proceeds from sale of equipment	8	87,198	-
Acquisition of mineral claims	9	(568,841)	(335,206)
Proceeds from deferred exploration recovery	18	3,693,013	1,169,831
Proceeds from sale of investments	6	974,675	775,627
Interest income		436,165	33,569
Total cash flows from investing activities		4,538,118	1,643,821
Effect of foreign exchange on cash		(702,903)	22,206
(Decrease) increase in cash and cash equivalents		(5,860,468)	7,344,131
Cash and cash equivalents, beginning of period		22,751,313	17,068,469
Cash and cash equivalents, end of period		\$ 16,890,845	\$ 24,412,600

The accompanying notes are an integral part of these consolidated financial statements.

SABLE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)



1. NATURE OF OPERATIONS

Sable Resources Ltd. (the "Company") is incorporated under the Business Corporation Act (British Columbia). The Company is engaged in the acquisition, exploration and development of mineral resource properties in Argentina and Mexico. The address of the Company's corporate office and principal place of business is Suite 900, 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2. The Company's shares are listed on the TSX Venture Exchange ("TSXV") and on the OTC Venture Market ("OTCQB") under the symbols SAE and SBLRF, respectively.

The Company has not yet determined whether any of its properties contain mineral deposits that are economically recoverable. The recoverability of any amounts shown as mineral property interests is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and future profitable production or proceeds from the disposition of its properties. There is no assurance that The Company's funding initiatives will continue to be successful. The underlying value of the mineral properties is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of mineral properties and deferred exploration.

These condensed interim consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on November 25, 2022.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements represent the Company's presentation of its results and financial position under IFRS. These accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that the Company expects to be applicable at that time. The policies set out below were consistently applied to all presented unless otherwise noted.

b) Basis of Measurement

These condensed interim consolidated financial statements were prepared on an accrual basis, are based on historical costs except for financial instruments measured at fair value and are presented in Canadian dollars, which is the functional currency of the Company's Canadian entity. The functional currency of the Company's foreign subsidiaries is US dollars.

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**2. BASIS OF PRESENTATION (continued)**

c) Subsidiaries

Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights.

Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

These condensed interim consolidated financial statements for the three and nine month periods ended September 30, 2022 and 2021 include the financial position, financial performance and cash flows of the Company and its subsidiaries detailed below:

Name	Location	Ownership	Status	Functional Currency
Sable Resources Ltd.	Canada	Parent	Consolidated	CAD
Exploraciones Sable, S.de R.L. de C.V.	Mexico	100%	Consolidated	USD
Exploraciones Tres Cordilleras, S.A. de C.V.	Mexico	100%	Consolidated	USD
Exploraciones Catalinas, S.A. de C.V.	Mexico	100%	Consolidated	USD
Exploraciones Vientos de Sur, S.A. de C.V.	Mexico	100%	Consolidated	USD
Sable Argentina S.A.	Argentina	100%	Consolidated	USD
Olivares S.A.	Argentina	100%	Consolidated	USD

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Accounting policies

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021. The Company's significant accounting policies are presented as Note 3 in the audited consolidated financial statements as at and for the year ended December 31, 2021 and have been consistently applied in the preparation of these unaudited condensed interim consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS 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.

In preparing these unaudited condensed interim consolidated financial statements, the significant judgements and estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended December 31, 2021.

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on deposit with major Canadian, Argentinian and Mexican banks in general interest-bearing accounts totaling \$16,890,845 (December 31, 2021 - \$22,751,313).

Cash and cash equivalents include:

- \$40,000 (December 31, 2021 - \$40,000) one-year cashable guaranteed investment certificate (GIC) held with the Royal Bank of Canada with an interest rate of 0.5% and maturing on July 1, 2022.
- \$5,000,000 (December 31, 2021 - \$5,000,000) one year cashable GIC held with the Royal Bank of Canada with an interest rate of 0.85% and maturing on December 8, 2022.

6. INVESTMENTS

The Company's investments are as follows:

	September 30, 2022	December 31, 2021
Magna Gold Corp.		
nil shares (December 31, 2021 - 1,406,278 shares)	\$ -	\$ 1,054,709
	\$ -	\$ 1,054,709

The Company's investments consisted of common shares held in a Canadian publicly traded company.

During the period ended September 30, 2022, the Company:

- Sold a total of 1,406,278 common shares of Magna Gold Corp. ("Magna") for net proceeds of \$974,675 which resulted in a net loss on the sale of \$80,034.

7. RECEIVABLES

	September 30, 2022	December 31, 2021
Current		
Goods and services tax	\$ 45,245	\$ 30,393
Value added tax	3,583,937	1,932,735
Less: Provision for value added tax	(3,583,937)	(1,932,735)
	\$ 45,245	\$ 30,393
Non-current		
Value added tax	\$ 74,448	\$ -
	\$ 74,448	\$ -

The provision for value added tax ("VAT") receivables includes \$3,472,494 (December 31, 2021 - \$1,842,479) due from the Argentinian tax authorities, and \$111,443 (December 31, 2021 - \$90,256) due from the Mexican tax authorities.



7. RECEIVABLES (continued)

During the three month period ended September 30, 2022, the Company received approval from the local regulators in Argentina confirming that the Company is entitled to a refund of VAT paid subsequent to the approval date (\$74,448). While the Company expects full payment of this amount, the timing and receipt of the funds is uncertain thus this receivable balance has been classified as non-current. As at September 30, 2022, the Company has recorded a provision for the VAT receivable (\$3,472,494) related to the amounts incurred prior to receipt of this approval due to uncertainty of collection.

As at September 30, 2022, the Company has recorded a provision for the entire VAT receivable incurred in Mexico (\$111,443) given the Company's history of collection and the uncertainty that the properties in Mexico will enter into production in the future.

For the three and nine month periods ended September 30, 2022, a provision for VAT of \$126,395 (September 30, 2021 - \$216,669) and \$1,912,617 (September 30, 2021 – \$1,157,910), respectively, has been recognized in the consolidated statement of net loss and comprehensive loss.

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**8. PROPERTY, PLANT AND EQUIPMENT**

	Machinery & equipment		Right-of-Use Asset		Total
Cost					
Balance at September 30, 2021	\$	213,234	\$	187,599	\$ 400,833
Additions		71,479		-	71,479
Currency translation adjustment		9,668		-	9,668
Balance at December 31, 2021		294,381		187,599	481,980
Additions		84,092		-	84,092
Disposal		(84,314)		-	(84,314)
Currency translation adjustment		(54,313)		-	(54,313)
Balance at September 30, 2022	\$	239,846	\$	187,599	\$ 427,445
Accumulated amortization					
Balance at September 30, 2021	\$	11,728	\$	69,788	\$ 81,516
Amortization		6,008		7,176	13,184
Currency translation adjustment		(597)		-	(597)
Balance at December 31, 2021		17,139		76,964	94,103
Amortization		32,002		21,646	53,648
Disposal		(31,294)		-	(31,294)
Currency translation adjustment		5,248		-	5,248
Balance at September 30, 2022	\$	23,095	\$	98,610	\$ 121,705
Net book value at:					
December 31, 2021				\$	387,877
September 30, 2022				\$	305,740

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**9. MINERAL PROPERTY INTERESTS**

	Bluejoint, Mexico	Don Julio, Argentina	El Fierro, Argentina	La Poncha, Argentina	Total
Balance at December 31, 2020	\$ 3,436,202	\$ 291,949	\$ 77,449	\$ -	\$ 3,805,600
Cost of Acquisition	-	196,136	154,504	26,608	377,248
Currency Translation Adjustment	(14,573)	-	-	-	(14,573)
Balance at December 31, 2021	3,421,629	488,085	231,953	26,608	4,168,275
Cost of Acquisition	-	252,484	349,529	54,828	656,841
Currency Translation Adjustment	277,714	47,147	16,901	2,159	343,921
Balance at September 30, 2022	\$ 3,699,343	\$ 787,716	\$ 598,383	\$ 83,595	\$ 5,169,037

Argentina

a) Don Julio and Don Julio Regional Project

On December 6, 2017, the Company entered into an agreement to acquire up to a 100% interest in the Don Julio and Don Julio Regional Project (collectively, "Don Julio") located in San Juan Province, Argentina, subject to a 2% net smelter royalty, of which one half may be purchased by the Company for US\$2,500,000 anytime after 12 months from which commercial production has been declared for any part of Don Julio. This was subsequently amended on June 1, 2020, whereby the remaining 1% net smelter royalty can be purchased by the Company for US\$5,000,000.

On May 31, 2018, the Company received the environmental impact assessment permit for Don Julio.

To earn the initial 50% interest of Don Julio the Company must:

- Make payment of US\$25,000 upon signing of the letter of intent (\$31,988 or US\$25,000 equivalent paid during the year ended December 31, 2017);
- Issue 200,000 common shares (issued) and make payment of US\$25,000 (\$32,640 or US\$25,000 equivalent was paid during the year ended December 31, 2018);
- Issue 100,000 common shares and make payment of US\$50,000 prior to the one-year anniversary of the receipt of an environmental impact assessment permit (\$67,191 or US\$50,000 equivalent was paid, and 100,000 common shares valued at \$10,000 were issued during year ended December 31, 2019);
- Issue 100,000 common shares and make payment of US\$60,000 prior to the second anniversary of the permit date (\$82,500 or US\$60,000 equivalent was paid, and 100,000 common shares valued at \$9,000 were issued during the year ended December 31, 2020);
- Issue 200,000 common shares and make payment of US\$120,000 prior to the third anniversary of the permit date (\$152,136 or US\$120,000 equivalent was paid, and 200,000 common shares valued at \$44,000 were issued during the year ended December 31, 2021);



9. MINERAL PROPERTY INTERESTS (continued)

- Issue 400,000 common shares and make payment of US\$120,000 prior to the fourth anniversary of the permit date (\$164,484 or US\$120,000 paid and 400,000 common shares valued at \$88,000 were issued during the nine month period ended September 30, 2022); and
- Issue 200,000 common shares and make payment of US\$200,000 prior to the fifth anniversary of the permit date.

To earn additional interest in Don Julio up to 100%, the Company must:

- To earn an additional 10% for 60% ownership in Don Julio; issue 500,000 common shares and make a payment of US\$600,000 prior to the sixth anniversary of the permit date;
- To earn an additional 10% for 70% ownership in Don Julio; issue 800,000 common shares, make payment of US\$900,000, and complete an additional US\$1,500,000 of exploration work prior to the seventh anniversary of the permit date; and
- To earn an additional 30% for 100% ownership in Don Julio; issue 1,000,000 common shares, make payment of US\$1,900,000, and complete an additional US\$1,500,000 of exploration work prior to the eighth anniversary of the permit date.

b) El Fierro Project

On February 25, 2020, the Company entered into option agreements to acquire 100% interest in the El Fierro Project (“El Fierro”) located in San Juan Province, Argentina. To earn 100% interest in El Fierro, the Company must:

- Make payment of US\$30,000 on the signing of the agreement (\$40,365 or US\$30,000 equivalent paid during the year ended December 31, 2020);
- Make payment of US\$70,000 prior to March 1, 2021 (\$88,291 or US\$70,000 equivalent paid during the year ended December 31, 2021);
- Make payment of US\$150,000 prior to March 1, 2022 (\$205,605 or US\$150,000 equivalent paid during the nine month period ended September 30, 2022);
- Make payment of US\$200,000 prior to March 1, 2023; and
- Make payment of US\$1,660,000 prior to March 1, 2024.

There is a 1.5% net smelter royalty on a portion of El Fierro, which can be purchased by the Company for US\$1,000,000.

On September 17, 2020, the Company entered into option agreements to acquire 100% interest in the Laspina Project (“Laspina”) located next to El Fierro in San Juan Province, Argentina, and is considered part of the El Fierro project. To earn 100% interest in Laspina, the Company must:

- Make payment of US\$8,000 on the signing of the agreement (\$10,818 or US\$8,000 equivalent paid during year ended December 31, 2020);
- Make payment of US\$13,000 prior to September 17, 2021 (\$15,189 or US\$13,000 equivalent paid during the year ended December 31, 2021);



9. MINERAL PROPERTY INTERESTS (continued)

- Make payment of US\$25,000 prior to September 17, 2022 (\$34,268 or US\$25,000 equivalent paid during the nine month period ended September 30, 2022); and
- Make payment of US\$35,000 prior to September 17, 2023.

On October 1, 2020, the Company entered into option agreements to acquire 100% interest in the El Fierrazo project (“El Fierrazo”) located next to El Fierro in San Juan Province, Argentina, and is considered part of the El Fierro Project. To earn 51% interest in El Fierrazo, the Company must:

- Make payment of US\$20,000 on the signing of the agreement (\$26,266 or US\$20,000 equivalent paid during year ended December 31, 2020);
- Make payment of US\$40,000 prior to October 1, 2021 (\$51,025 or US\$40,000 equivalent paid during the year ended December 31, 2021);
- Make payment of US\$80,000 prior to October 1, 2022 (\$109,656 or US\$80,000 equivalent paid during the nine month period ended September 30, 2022);
- Make payment of US\$100,000 prior to October 1, 2023; and
- Make payment of US\$400,000 prior to October 1, 2024.

To earn additional interest in El Fierrazo up to 100%, the Company must make payment of US\$900,000 before October 1, 2025. There is a 1.5% net smelter royalty on El Fierrazo, which may be purchased by the Company for US\$1,500,000.

c) La Poncha Project

On July 17, 2020, the Company entered into a Letter of Intent (“LOI”) to acquire a 100% interest in the La Poncha project (“La Poncha”) located in San Juan Province, Argentina. On March 15, 2021, the Company exercised its right under the letter of intent to enter into an option agreement for La Poncha. To earn 100% interest in La Poncha, the Company must:

- Make payment of US\$20,000 on the signing of the option agreement (\$26,608 or US\$20,000 equivalent paid during the year ended December 31, 2021);
- Make payment of US\$40,000 and complete US\$100,000 in exploration work prior to March 15, 2022 (\$54,828 or US\$40,000 equivalent paid during the nine month period ended September 30, 2022)
- Make payment of US\$80,000 and complete an additional US\$200,000 in exploration work prior to March 15, 2023;
- Make payment of US\$150,000 and complete an additional US\$500,000 in exploration work prior to March 15, 2024; and
- Make payment of US\$1,210,000 and complete an additional US\$800,000 in exploration work prior to March 15, 2025.

There is a 1% net smelter royalty on La Poncha, which may be purchased by the Company for US\$1,000,000.

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**9. MINERAL PROPERTY INTERESTS (continued)****Mexico**

a) BlueJoint Mineral Applications

On January 29, 2018, the Company acquired five mineral applications in Mexico in connection with the acquisition of BlueJoint. Each mineral application contains exploration targets consistent to the Company's exploration methodology. The mineral applications are subject to a 1% net smelter royalty, which may be purchased by the Company for US\$3,000,000.

The Company has identified two projects within this land package: Vinata and El Escarpe.

10. PAYABLES AND ACCRUALS

	September 30, 2022	December 31, 2021
Trade payables	\$ 191,725	\$ 553,477
Accruals and other	198,176	496,477
	\$ 389,901	\$ 1,049,954

11. LEASE LIABILITY

The Company's lease liability relates to its lease for the office premises. The lease comprises only fixed payments over the lease term.

	September 30, 2022	December 31, 2021
Opening balance	\$ 117,551	\$ 144,519
New obligation under finance lease	-	-
Repayments	(21,865)	(26,968)
Ending balance	95,686	117,551
Less current portion	(29,995)	(29,275)
Non-current obligation	\$ 65,691	\$ 88,276
1 year	\$ 32,651	\$ 32,651
2-3 years	65,303	65,303
4-5 years	2,721	27,209
6+ years	-	-
Future interest expense on lease obligations	(4,989)	(7,612)
	\$ 95,686	\$ 117,551

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**11. LEASE LIABILITY (continued)**

During the nine month period ended September 30, 2022, the Company recognized \$2,623 (September 30, 2021 - \$3,300) in interest expense on its lease liability. During the nine month period ended September 30, 2022, the Company expensed \$2,006,272 (September 30, 2021 - \$914,255) related to leases that did not meet the definition of a contractual lease and \$5,118 (September 30, 2021 - \$14,298) for leases of low-value assets. The incremental borrowing rate applied to the lease liabilities was 3.24%.

12. ISSUED CAPITAL AND CONTRIBUTED SURPLUS

a) Issued Capital

The Company is authorized to issue an unlimited number of common shares.

During the period ended September 30, 2022:

- On April 1, 2022, the Company issued 400,000 common shares at a price of \$0.22 per common share, the fair value of the common shares on grant date, for a gross value of \$88,000 in connection with the Don Julio Project (Note 9).

During the year ended December 31, 2021:

- On April 1, 2021, the Company issued 200,000 common shares at a price of \$0.22 per common share, the fair value of the common shares on grant date, for a gross value of \$44,000 in connection with the Don Julio Project (Note 9).
- On June 15, 2021, the Company completed a private placement of 41,666,600 common shares at a price of \$0.30 per unit for gross proceeds of \$12,499,980.

The Company incurred \$1,141,333 in issue costs, including an agent cash commission of \$749,999, representing 6% of the gross proceeds of the offering and issued 1,249,998 broker warrants with each broker warrant entitling the agent to purchase one common share at a price of \$0.30 until June 15, 2023.

The fair value of the 1,249,998 broker warrants was estimated at \$188,750 using the Black Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest rate 0.20%; volatility 77% and an expected life of two years.

Diluted Weighted Average Number of Shares Outstanding

	September 30, 2022	September 30, 2021
Basic weighted average shares outstanding	279,185,812	247,396,225
Effect of outstanding securities	-	-
Diluted weighted average shares outstanding	279,185,812	247,396,225



12. ISSUED CAPITAL AND CONTRIBUTED SURPLUS (continued)

a) Issued Capital (continued)

During the nine month period ended September 30, 2022 and 2021, the Company had a net loss, as such, the diluted loss per share calculation excludes any potential conversion of options and warrants that would decrease loss per share.

b) Stock options

The Board of Directors of the Company adopted a stock option plan (the "Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with regulatory policies. The option exercise price is decided by the Board of Directors but may not be less than the discounted market price of the Company's shares in accordance with regulatory requirements.

	Number of stock options	Weighted average exercise price
Balance at December 31, 2020	16,250,000	\$ 0.18
Options issued	4,250,000	0.25
Options exercised	(725,000)	(0.12)
Options cancelled	(525,000)	(0.21)
Balance at December 31, 2021	19,250,000	\$ 0.20
Options issued	75,000	0.17
Options exercised	(1,900,000)	(0.15)
Options cancelled	(100,000)	(0.25)
Balance at September 30, 2022	17,325,000	\$ 0.20

During the period ended September 30, 2022:

- On February 24, 2022, the Company granted an aggregate of 75,000 options to purchase common shares of the Company exercisable at a price of \$0.17 per common share for a period of one year to certain consultants.

The fair value of the 75,000 options was estimated at \$2,925 using the Black Sholes pricing model with the following assumptions: dividend yield 0%, risk free interest 1.25%; volatility 64% and an expected life of one year.

**12. ISSUED CAPITAL AND CONTRIBUTED SURPLUS (continued)**

b) Stock options (continued)

During the year ended December 31, 2021:

- On October 7, 2021, the Company granted an aggregate of 4,250,000 options to purchase common shares of the Company exercisable at a price of \$0.25 per common share for a period of five years to certain directors, officers, and consultants.

The fair value of the 4,250,000 options was estimated at \$493,000 using the Black Sholes pricing model with the following assumptions: dividend yield 0%, risk free interest 0.28%; volatility 65% and an expected life of five years.

As at September 30, 2022, the following stock options were outstanding and exercisable:

Expiry date	Number of options outstanding	Number of stock options vested	Weighted average Exercise Price	Weighted average number of years to expiry
November 9, 2022	700,000	700,000	0.17	0.11
February 24, 2023	75,000	75,000	0.17	0.40
March 26, 2023	2,300,000	2,300,000	0.25	0.48
October 26, 2023	800,000	800,000	0.30	1.07
February 26, 2024	450,000	450,000	0.25	1.41
June 26, 2024	2,150,000	2,150,000	0.15	1.74
March 11, 2025	1,300,000	1,300,000	0.10	2.45
May 13, 2025	1,350,000	1,350,000	0.10	2.62
October 1, 2025	4,050,000	4,050,000	0.20	3.01
October 7, 2026	4,150,000	4,150,000	0.25	4.02
Balance at September 30, 2022	17,325,000	17,325,000	\$ 0.20	2.43

As at September 30, 2022, there were no RSUs issued or outstanding.

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**12. ISSUED CAPITAL AND CONTRIBUTED SURPLUS (continued)**

c) Share purchase warrants

Share purchase warrants enable the holders to acquire common shares of the Company upon exercise. Continuity of share purchase warrants issued and outstanding:

	# of warrants	Weighted average exercise price
Balance at December 31, 2020	49,953,411	\$ 0.21
Broker warrants issued	1,249,998	\$ 0.30
Share warrants issued	142,389	0.20
Broker warrants exercised	(284,779)	(0.15)
Share warrants exercised	(4,465,249)	(0.23)
Share warrants expired	(4,311,950)	(0.35)
Balance at December 31, 2021	42,283,820	\$ 0.20
Share warrants exercised	(6,966,666)	(0.21)
Share warrants expired	(3,892,662)	(0.21)
Balance at September 30, 2022	31,424,492	\$ 0.20

During the year ended December 30, 2021:

- On January 18, 2021, in connection with the exercise of 284,779 broker warrants, the Company granted 142,389 warrants to purchase common shares of the Company exercisable at a price of \$0.20 per common share for period up to September 10, 2023.
- On June 15, 2021, the Company granted 1,249,998 warrants to purchase common shares of the Company exercisable at a price of \$0.30 per common share for a period of two years.

As at September 30, 2022, the following share purchase warrants outstanding and exercisable:

Expiry date	Number of warrants outstanding	Weighted average exercise price	Weighted average number of years to expiry
June 15, 2023	1,249,998	0.30	0.71
September 10, 2023	30,174,494	0.20	0.95
Balance at September 30, 2022	31,424,492	\$ 0.20	0.94

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**13. FINANCIAL INSTRUMENTS**

Financial assets and liabilities as at September 30, 2022 and December 31, 2021 are as follows:

		Assets at fair value through other comprehensive income	Amortized cost	Other financial liabilities	Total
As at September 30, 2022					
Cash and cash equivalents	\$	-	\$ 16,890,845	\$ -	\$ 16,890,845
Payables and accruals		-	-	389,901	389,901
As at December 31, 2021					
Cash and cash equivalents	\$	-	\$ 22,751,313	\$ -	\$ 22,751,313
Investments		1,054,709	-	-	1,054,709
Payables and accruals		-	-	1,049,954	1,049,954

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly;
- Level 3 – Inputs for assets or liabilities that are not based on observable market data

The carrying value of cash and cash equivalents, amounts receivable, and payables and accruals approximate fair value because of the limited terms of these instruments.

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**14. SEGMENTED INFORMATION**

The Company considers itself to operate in a single operating segment, being resource exploration and development. It holds mineral interests in Argentina and Mexico.

Period ended September 30, 2022	Canada	Mexico	Argentina	Total
Exploration expenditures	\$ -	\$ 297,806	\$ 12,778,222	\$ 13,076,028
General and administrative expenses	1,145,200	34,464	308,693	1,488,357
As at September 30, 2022				
Total assets	\$ 16,624,225	\$ 3,760,364	\$ 2,296,177	\$ 22,680,766
Total liabilities	298,368	-	5,719,887	6,018,255
Period ended September 30, 2021				
Exploration expenditures	\$ -	\$ 172,301	\$ 4,984,387	\$ 5,156,688
General and administrative expenses	919,330	27,719	50,981	998,030
As at December 31, 2021				
Total assets	\$ 22,901,766	\$ 3,759,489	\$ 1,808,288	\$ 28,469,543
Total liabilities	881,417	2,209	2,225,425	3,109,051

15. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the periods ended September 30, 2022 and 2021:

- The Company incurred exploration costs in the amount of \$11,671 (September 30, 2021 - \$nil) paid to Talisker Exploration Services Ltd., a private company with shared directors and officers. Included in payables and accruals at September 30, 2022 are \$nil (December 31, 2021 - \$6,924).
- The Company incurred general and administrative expenses in the amount of \$8,556 (September 30, 2021 - \$10,020) paid to JDS Energy & Mining Inc., a private company with a shared director.
- The Company was remunerated for shared general and administrative costs of \$7,541 (September 30, 2021 - \$nil) by Talisker Resources Ltd., a public company with shared directors and officers.
- The Company was remunerated for general and administrative costs of \$nil (September 30, 2021 - \$10,560) by TDG Gold Corp., a public company with shared directors, for expenses relating to the Baker Project.

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.

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**15. RELATED PARTY TRANSACTIONS (continued)**

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 nine month periods ended September 30, 2022 and 2021 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Salaries and director fees	\$ 246,968	\$ 238,751	\$ 740,786	\$ 667,086

As at September 30, 2022, an amount of \$47,775 (December 31, 2021 - \$410,558) 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.

16. USE OF MARKETABLE SECURITIES

From time to time, the Company may acquire and transfer marketable securities to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiaries.

The Company does not acquire marketable securities or engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well established companies, with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable.

As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments, between acquisition and disposition, are recognized through profit or loss. The Company conducts such transactions on an intra-period basis and does not hold the equity instruments at period end.

As a result of having utilized this mechanism for intragroup funding for the three and nine month periods ended September 30, 2022, the Company realized a net gain of \$694,201 (September 30, 2021: \$709,586) and \$6,259,216 (September 30, 2021: \$2,062,530), respectively.

SABLE RESOURCES LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine month periods ended September 30, 2022 and 2021**

(Expressed in Canadian Dollars)

**17. CAPITAL MANAGEMENT**

The Company's capital management objectives are to raise the necessary equity financing to fund its exploration projects and mining activities and to manage the equity funds raised to best optimize its exploration 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.

The Company's capital consists of the following:

	September 30, 2022	December 31, 2021
Working capital surplus	\$ 16,711,645	\$ 22,732,271
Share capital	54,891,401	53,067,068
Share-based payment reserve (included in contributed surplus)	4,852,230	4,849,305
Accumulated deficit	(41,644,016)	(31,605,922)
	\$ 34,811,260	\$ 49,042,722

18. DEFERRED EXPLORATION RECOVERY

On January 28, 2021, the Company and its wholly-owned subsidiary Olivares signed an earn-in agreement ("EIA") with a wholly-owned subsidiary of South32, to jointly explore the Don Julio and Don Julio Regional Project.

Earn-in Agreement

The EIA grants South32 the right to acquire 65% of the shares of Olivares by providing US\$8.5 million in exploration funding over a period of five years (the "EIA Period") and assuming responsibility for paying 100% of the cash option payments due to the underlying owners of the Project during the EIA Period. At South32's election, the EIA Period can be extended by one year to a total period of six years in consideration for South32 providing an additional US\$1.5 million in exploration funding. The Company will operate all exploration programs during the EIA Period and will receive a 7.5% operator fee on all qualifying exploration expenditures. Pursuant to the terms of the EIA, to maintain the option to acquire a 100% interest in the Project in good standing, the Company retains the obligation to issue shares to the underlying owners.

During the nine month period ended September 30, 2022, Olivares received payments of \$3,693,013 or US\$2,713,602 equivalent (September 30, 2021: \$1,169,831 or US\$983,387 equivalent). As at September 30, 2022, South32 invested a total of \$5,532,668 or US\$4,276,989 equivalent (December 31, 2021: \$1,869,655 or US\$1,563,387 equivalent). These payments have been deferred as a liability and represent a portion of the



18. DEFERRED EXPLORATION RECOVERY (continued)

funding that will form the consideration for South32's investment in Olivares, should South32 exercise its right to acquire a 65% direct interest in Olivares as discussed above.

Shareholders' Agreement

On satisfying the exploration funding and cash option payment requirements under the EIA, South32 may elect to subscribe for 65% of the shares of Olivares. The Company, Olivares and South32 would then enter into a Shareholders' Agreement, on terms agreed and appended to the EIA.

During the period governed by the Shareholders' Agreement (the "Joint Venture Period"), Sable and South32 will contribute their proportionate share of further exploration and development expenditures or dilute on a straight-line basis. Other key terms of the Shareholders' Agreement include:

- If South32 elects not to contribute to the first approved program and budget of the Joint Venture Period (which budget must be a minimum of US\$4,000,000), then its interest in Olivares will be immediately reduced to 49%, with Sable's interest immediately increasing to 51%;
- At any time, South32 may elect to sole fund a Preliminary Economic Assessment ("PEA") in exchange for an additional 10% interest in Olivares, such PEA to be delivered within five years of South32's election;
- The Shareholder with the larger interest in Olivares will have the right to act as Operator either directly or through an affiliate;
- For as long as South32 continues to hold the larger interest in Olivares, South32 will have the right to appoint an affiliate to act as the worldwide marketing and distribution agent for product produced;
- In the event that Sable or South32 dilute below a 10% interest in Olivares, then the non-diluted party is entitled to buy out the diluted party's participating interest; and
- At any time, should the surrender or abandonment of part of the Project be authorized by Olivares, each shareholder will have the right to elect to take an assignment of the surrendered or abandoned portion, subject to any prior rights of third parties.

19. COMMITMENTS AND CONTINGENCIES

Due to the size, complexity, and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

SABLE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)



20. SUBSEQUENT EVENTS

On November 25, 2022, the Company granted an aggregate of 5,160,000 options to purchase common shares of the Company exercisable at a price of \$0.10 per share for a period of five years to certain directors, officers, employees and consultants.