



SABLE RESOURCES LTD.

**Condensed Interim Consolidated Financial Statements
As at and for the three and nine months ended September 30, 2023 and 2022**

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, 2023	December 31 2022
Assets			
Current Assets			
Cash and cash equivalents	5	\$ 12,376,059	\$ 17,152,362
Receivables	7	20,754	21,981
Prepaid expenses and deposits		273,662	125,803
		12,670,475	17,300,146
Equipment and right of use asset	8	320,353	391,597
Mineral property interests	9	5,502,585	5,107,566
		\$ 18,493,413	\$ 22,799,309
Liabilities			
Current Liabilities			
Payables and accruals	10,15	\$ 321,909	\$ 1,004,072
Current portion of lease liability	11	30,977	30,238
Deferred exploration recovery	18	13,171,531	-
		13,524,417	1,034,310
Lease liability	11	34,714	58,038
Deferred exploration recovery	18	-	8,100,924
		13,559,131	9,193,272
Shareholders' equity			
Issued capital	12	55,125,701	55,113,701
Accumulated other comprehensive loss		(2,845,874)	(2,931,184)
Contributed surplus	12	4,939,530	4,939,530
Deficit		(52,285,075)	(43,516,010)
		4,934,282	13,606,037
		\$ 18,493,413	\$ 22,799,309

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 condensed interim 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,	
		2023	2022	2023	2022
Property related expenses					
Exploration expenditures	15	\$ 1,351,877	\$ 1,284,002	\$ 9,314,661	\$ 13,076,028
General and administrative expenses	15	406,000	493,247	1,349,904	1,488,357
Property investigation and evaluation		40,658	12,857	97,607	12,857
Share-based expense	12	-	-	-	2,925
		1,798,535	1,790,106	10,762,172	14,580,167
Other expenses (income)					
Write-down of mineral property acquisition costs		-	-	168,213	-
Provision for value-added tax receivable	7	197,378	126,395	1,689,078	1,912,617
Interest income		(101,276)	(88,448)	(644,639)	(436,165)
Gain on disposal of equipment		-	-	-	(22,746)
Foreign exchange		65,859	97,504	65,797	263,437
Gain on use of marketable securities	16	(531,027)	(694,201)	(3,271,556)	(6,259,216)
Net loss		\$ 1,429,469	\$ 1,231,356	\$ 8,769,065	\$ 10,038,094
Items that may be reclassified subsequently to profit and loss:					
Change in fair value of investments	6	-	-	-	80,034
Foreign currency translation adjustment		22,945	73,241	(85,310)	407,111
Other comprehensive (gain) loss		22,945	73,241	(85,310)	487,145
Net comprehensive loss		\$ 1,452,414	\$ 1,304,597	\$ 8,683,755	\$ 10,525,239
Loss per share					
Basic and diluted		\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.03)
Weighted average number of common shares outstanding		286,564,898	279,660,276	286,465,172	277,639,145

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	Issued Capital	Accumulated Other Comprehensive Loss	Contributed Surplus	Accumulated Deficit	Total
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 loss		-	-	(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	507,300	-	(222,300)	-	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	\$ 55,113,701	\$ (1,437,104)	\$ 4,629,930	\$ (41,644,016)	\$ 16,662,511
Net Loss		-	-	-	-	(1,871,994)	(1,871,994)
Other comprehensive loss		-	-	(1,494,080)	-	-	(1,494,080)
Share-based expense	12	-	-	-	309,600	-	309,600
Balance, December 31, 2022		286,364,898	\$ 55,113,701	\$ (2,931,184)	\$ 4,939,530	\$ (43,516,010)	\$ 13,606,037
Net loss		-	-	-	-	(8,769,065)	(8,769,065)
Other comprehensive loss		-	-	85,310	-	-	85,310
Shares issued in acquisition of claims	9,12	200,000	12,000	-	-	-	12,000
Balance, September 30, 2023		286,564,898	\$ 55,125,701	\$ (2,845,874)	\$ 4,939,530	\$ (52,285,075)	\$ 4,934,282

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 periods ended September 30,	Note	2023	2022
Operating Activities			
Net loss		\$ (8,769,065)	\$ (10,038,094)
Items not involving cash:			
Amortization	8	76,466	53,648
Share-based expense	12,15	-	2,925
Provision for value-added tax receivable	7	1,689,078	1,912,617
Write-down of mineral property acquisition costs	9	168,213	-
Gain on disposal of equipment		-	(22,746)
		(6,835,308)	(8,091,650)
Changes in non-cash working capital			
Receivables		(1,687,851)	(2,001,917)
Prepaid expenses and deposits		(147,859)	(118,475)
Payables and accruals		(682,163)	(660,053)
Income tax payable		-	(101,891)
Total cash flows used in operating activities		(9,353,181)	(10,973,986)
Financing Activities			
Principle payments on lease liability	11	(22,585)	(21,865)
Proceeds from option exercise		-	285,000
Proceeds from warrant exercise		-	1,451,333
Total cash flows (used in) from financing activities		(22,585)	1,714,468
Investing Activities			
Acquisition of mineral claims	9	(561,080)	(568,841)
Purchase of equipment		-	(84,092)
Proceeds from disposal of equipment		-	87,198
Proceeds from deferred exploration recovery	18	5,061,267	3,693,013
Proceeds from sale of marketable securities	6	-	974,675
Total cash flows from investing activities		4,500,187	4,101,953
Effect of foreign exchange on cash		99,276	(702,903)
Decrease in cash and cash equivalents		(4,776,303)	(5,860,468)
Cash and cash equivalents, beginning of period		17,152,362	22,751,313
Cash and cash equivalents, end of period		\$ 12,376,059	\$ 16,890,845

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

SABLE RESOURCES LTD.

Condensed Interim Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)



1. NATURE OF OPERATIONS

Sable Resources Ltd. ("Sable" or 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 property interests.

These condensed interim consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on November 28, 2023.

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 condensed interim 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.

Condensed Interim Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)



2. BASIS OF PRESENTATION (continued)

c) Subsidiaries

Subsidiaries are all corporations over which the Company has control. Control is achieved when the Company has power over the investee, is exposed or has right to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

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, 2023 and 2022 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.A. 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. (Note 18)	Argentina	100%	Consolidated	USD

3. SUMMARY OF SIGNIFICANT 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, 2022. The Company's significant accounting policies are presented under Note 3 in the audited consolidated financial statements as at and for the year ended December 31, 2022 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, 2022.

SABLE RESOURCES LTD.

Condensed Interim Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2023 and 2022

(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 \$12,376,059 (December 31, 2022 - \$17,152,362).

Cash and cash equivalents include:

- \$40,000 (December 31, 2022 - \$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, 2024.
- \$8,000,000 (December 31, 2022 - \$5,000,000) 180-day cashable GIC held with the Royal Bank of Canada with an interest rate of 5.20% and maturing on October 30, 2023.

6. INVESTMENTS

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

During the nine month 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 sale of \$80,034.

7. RECEIVABLES

	September 30, 2023	December 31, 2022
Goods and services tax	\$ 20,754	\$ 21,981
Value added tax	2,930,004	3,599,703
Less: Provision for value added tax	(2,930,004)	(3,599,703)
	\$ 20,754	\$ 21,981

The VAT receivables includes \$2,792,840 (December 31, 2022 - \$3,484,878) due from the Argentinian tax authorities, and \$137,164 (December 31, 2022 - \$114,825) due from the Mexican tax authorities.

The Company has deemed the collection of the VAT receivables in both Argentina and Mexico to be uncertain. As such, as of September 30, 2023, the Company wrote down its outstanding VAT receivable balances.

For the three and nine month periods ended September 30, 2023, a provision for VAT of \$197,378 (September 30, 2022 - \$126,395) and \$1,689,078 (September 30, 2022 - \$1,157,910), respectively, has been recognized in the consolidated statement of net loss and comprehensive loss.

SABLE RESOURCES LTD.**Condensed Interim Notes to the Consolidated Financial Statements****For the three and nine month periods ended September 30, 2023 and 2022**

(Expressed in Canadian Dollars)

**8. EQUIPMENT AND RIGHT OF USE ASSET**

	Equipment		Right-of-Use Asset		Total
Cost					
Balance at September 30, 2022	\$	239,846	\$	187,599	\$ 427,445
Additions		105,489		-	139,132
Currency translation adjustment		25,450		-	25,450
Balance at December 31, 2022		370,320		187,599	557,919
Currency translation adjustment		5,512		-	5,512
Balance at September 30, 2023	\$	375,832	\$	187,599	\$ 563,431
Accumulated amortization					
Balance at September 30, 2022	\$	23,095	\$	98,610	\$ 121,705
Amortization		35,321		7,215	37,453
Currency translation adjustment		2,081		-	21,566
Balance at December 31, 2022		60,497		105,825	166,322
Amortization		69,251		7,215	76,466
Currency translation adjustment		290		-	(290)
Balance at September 30, 2023	\$	130,038	\$	113,040	\$ 243,078
Net book value at:					
December 31, 2022				\$	391,597
September 30, 2023				\$	320,353

SABLE RESOURCES LTD.**Condensed Interim Notes to the Consolidated Financial Statements****For the three and nine month periods ended September 30, 2023 and 2022**

(Expressed in Canadian Dollars)

**9. MINERAL PROPERTY INTERESTS**

	Bluejoint, Mexico	Don Julio, Argentina	El Fierro, Argentina	La Poncha, Argentina	Total
Balance at December 31, 2021	\$ 3,421,629	\$ 488,085	\$ 231,953	\$ 26,608	\$ 4,168,275
Cost of acquisition	-	250,528	345,372	54,176	650,076
Currency translation adjustment	233,722	39,734	13,942	1,817	289,215
Balance at December 31, 2022	3,655,351	778,347	591,267	82,601	5,107,566
Cost of acquisition	-	282,400	182,520	108,160	573,080
Write down of acquisition costs	-	-	(168,213)	-	(168,213)
Currency translation adjustment	(6,477)	(1,389)	(1,836)	(146)	(9,848)
Balance at September 30, 2023	\$ 3,648,874	\$ 1,059,358	\$ 603,739	\$ 190,615	\$ 5,502,585

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 project and the 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 March 31, 2023, the Company issued 200,000 common shares and made payment of US\$200,000 (\$276,800 or US\$200,000 equivalent was paid and 200,000 common shares valued at \$12,000).

On March 31, 2023, the Company completed its purchase of a 50% interest in the Don Julio project through the cumulative issuance of 1,200,000 common shares and payments of \$810,888 or US\$600,000 since entering into the agreement in 2017.

To earn an additional 10% for a 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 a 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 a 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.

SABLE RESOURCES LTD.

Condensed Interim Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)



9. MINERAL PROPERTY INTERESTS (continued)

b) El Fierro Project

On February 25, 2020, the Company entered into option agreements to acquire a 100% interest in the El Fierro project ("El Fierro") located in San Juan Province, Argentina. To earn a 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 year ended December 31, 2022);
- Make payment of US\$100,000 prior to March 1, 2023 (\$135,200 or US\$100,000 equivalent paid during the nine month period ended September 30, 2023);
- Make payment of US\$150,000 prior to March 1, 2024;
- Make payment of US\$150,000 prior to March 1, 2025; and
- Make payment of US\$560,000 prior to March 1, 2026.

During the nine month period ended September 30, 2023, the Company terminated one of the option agreements at El Fierro. The Company wrote off \$169,075 of acquisition costs relating to this option agreement.

On September 17, 2020, the Company entered into an option agreement 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.

On September 30, 2023, the Company made payment of \$47,320 or US\$35,000 equivalent.

On September 30, 2023, the Company completed its purchase of Laspina through cumulative payments of \$107,187 (US\$81,000) since entering into the option agreement in 2020.

On October 1, 2020, the Company entered into an option agreement to acquire a 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 a 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 year ended December 31, 2022);

SABLE RESOURCES LTD.

Condensed Interim Notes to the Consolidated Financial Statements For the three and nine month periods ended September 30, 2023 and 2022 (Expressed in Canadian Dollars)



9. MINERAL PROPERTY INTERESTS (continued)

- Upon the Company entering into an agreement with another party to obtain financing for the direct purpose of exploring El Fierrazo (“Exploration Financing”):
 - Make payment of US\$40,000 prior to the three month anniversary of the exploration financing;
 - Make payment of US\$60,000 prior to the first anniversary of the exploration financing;
 - Make payment of US\$80,000 prior to the second anniversary of the exploration financing;
 - Make payment of US\$100,000 prior to the third anniversary of the exploration financing; and
 - Make payment of US\$220,000 prior to the fourth anniversary of the exploration financing.

To earn additional interest in El Fierrazo up to 100%, the Company must make payment of US\$900,000 before the fifth anniversary of the exploration financing. There is a 1.5% net smelter royalty on El Fierrazo, which may be purchased by the Company for US\$5,000,000.

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 year ended December 31, 2022);
- Make payment of US\$80,000 and complete an additional US\$200,000 in exploration work prior to March 15, 2023 (\$105,920 or US\$80,000 equivalent paid during the nine month period ended September 30, 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.

Mexico

a) BlueJoint Mineral Applications and Titles

On January 29, 2018, the Company acquired five mineral applications and one mineral title in Mexico in connection with the acquisition of BlueJoint. These applications and titles contain exploration targets consistent to the Company’s exploration methodology. The mineral applications and titles 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.

SABLE RESOURCES LTD.**Condensed Interim Notes to the Consolidated Financial Statements****For the three and nine month periods ended September 30, 2023 and 2022**

(Expressed in Canadian Dollars)

**10. PAYABLES AND ACCRUALS**

	September 30, 2023	December 31, 2022
Trade payables	\$ 146,508	\$ 353,445
Accruals and other	175,401	650,627
	\$ 321,909	\$ 1,004,072

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, 2023	December 31, 2022
Opening balance	\$ 88,276	\$ 117,551
Repayments	(22,585)	(29,275)
Ending balance	65,691	88,276
Less current portion	(30,977)	(30,238)
Non-current obligation	\$ 34,714	\$ 58,038
1 year	\$ 32,652	\$ 32,651
2-3 years	35,372	59,861
4-5 years	-	-
Future interest expense on lease obligations	(2,333)	(4,236)
	\$ 65,691	\$ 88,276

During the nine month period ended September 30, 2023, the Company recognized \$1,903 (September 30, 2022 - \$2,623) in interest expense on its lease liability. During the nine month period ended September 30, 2023, the Company expensed \$1,439,473 (September 30, 2022 - \$2,006,272) related to leases that did not meet the definition of a contractual lease and \$6,055 (September 30, 2022 - \$5,118) for leases of low-value assets. The incremental borrowing rate applied to the lease liability 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 nine month period ended September 30, 2023:

- On March 31, 2023, the Company issued 200,000 common shares at a price of \$0.06 per common share, the fair value of the common shares on grant date, for a gross value of \$12,000 in connection with the Don Julio project (Note 9).

SABLE RESOURCES LTD.**Condensed Interim Notes to the Consolidated Financial Statements****For the three and nine month periods ended September 30, 2023 and 2022**

(Expressed in Canadian Dollars)

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

During the year ended December 31, 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).

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, 2021	19,250,000	\$ 0.20
Options issued	5,235,000	0.10
Options exercised	(1,900,000)	(0.15)
Options cancelled	(100,000)	(0.25)
Options expired	(700,000)	(0.17)
Balance at December 31, 2022	21,785,000	\$ 0.18
Options cancelled	(600,000)	(0.25)
Options expired	(2,375,000)	(0.25)
Balance at September 30, 2023	18,810,000	\$ 0.17

b) Stock Options (continued)

During the year ended December 31, 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.

SABLE RESOURCES LTD.**Condensed Interim Notes to the Consolidated Financial Statements****For the three and nine month periods ended September 30, 2023 and 2022**

(Expressed in Canadian Dollars)

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

- On November 28, 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 common share for a period of five years to certain directors, officers, and consultants.

The fair value of the 5,160,000 options was estimated at \$309,600 using the Black Sholes pricing model with the following assumptions: dividend yield 0%, risk free interest 4.33%; volatility 74% and an expected life of five years.

As at September 30, 2023, 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
October 26, 2023	500,000	500,000	0.30	0.07
February 26, 2024	450,000	450,000	0.25	0.41
June 26, 2024	2,150,000	2,150,000	0.15	0.74
March 11, 2025	1,300,000	1,300,000	0.10	1.45
May 13, 2025	1,350,000	1,350,000	0.10	1.62
October 1, 2025	3,750,000	3,750,000	0.20	2.01
October 7, 2026	4,150,000	4,150,000	0.25	3.02
November 28, 2027	5,160,000	5,160,000	0.10	4.16
Balance at September 30, 2023	18,810,000	18,810,000	\$ 0.17	2.52

As at September 30, 2023, there were no RSUs issued or outstanding.

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:

	Number of warrants	Weighted average exercise price
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 December 31, 2022	31,424,492	\$ 0.20
Share warrants expired	(31,424,492)	(0.20)
Balance at September 30, 2023	-	\$ -

SABLE RESOURCES LTD.**Notes to the Consolidated Financial Statements****For the three and nine month periods ended September 30, 2023 and 2022**

(Expressed in Canadian Dollars)

**13. FINANCIAL INSTRUMENTS**

Financial assets and liabilities as at September 30, 2023 and December 31, 2022 are as follows:

		Assets at fair value through other comprehensive income	Amortized cost	Other financial liabilities	Total
As at September 30, 2023					
Cash and cash equivalents	\$	-	\$ 12,376,059	\$ -	\$ 12,376,059
Payables and accruals		-	-	321,909	321,909
Lease liability		-	-	65,691	65,691
Deferred exploration recovery		13,171,531	-	-	13,171,531
As at December 31, 2022					
Cash and cash equivalents	\$	-	\$ 17,152,362	\$ -	\$ 17,152,362
Payables and accruals		-	-	1,004,072	1,004,072
Lease liability		-	-	88,276	88,276
Deferred exploration recovery		8,100,924	-	-	8,100,924

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; and
- Level 3 – Inputs for assets or liabilities that are not based on observable market data.

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

SABLE RESOURCES LTD.**Notes to the Consolidated Financial Statements****For the three and nine month periods ended September 30, 2023 and 2022**

(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, 2023	Canada	Mexico	Argentina	Total
Exploration expenditures	\$ -	\$ 177,077	\$ 9,137,584	\$ 9,314,661
General and administrative expenses	1,015,313	7,424	327,167	1,349,904
Property evaluation and investigation	90,871	-	6,736	97,607
As at September 30, 2023				
Total assets	\$ 12,229,320	\$ 3,667,080	\$ 2,597,013	\$ 18,493,413
Total liabilities	239,455	15,465	13,304,211	13,559,131
Period ended September 30, 2022				
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 December 31, 2022				
Total assets	\$ 15,339,239	\$ 3,694,430	\$ 3,765,640	\$ 22,799,309
Total liabilities	556,250	-	8,637,022	9,193,272

15. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the nine month period ended September 30, 2023 and 2022:

- The Company incurred exploration costs in the amount of \$5,241 (September 30, 2022 - \$11,671) paid to Talisker Exploration Services Ltd., a private company with shared directors and officers.
- The Company incurred general and administrative expenses in the amount of \$8,350 (September 30, 2022 - \$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 \$nil (September 30, 2022 - \$7,541) by Talisker Resources Ltd., a public company with shared directors and officers.
- The Company incurred general and administrative expenses in the amount of \$2,691 (September 30, 2022 - \$nil) paid to Talisker Resources Ltd., a public company with shared directors and officers. Included in payables and accruals at September 30, 2023 are \$2,867 (September 30, 2022 - \$nil).

SABLE RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2023 and 2022

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15. RELATED PARTY TRANSACTIONS (continued)

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 nine month periods ended September 30, 2023 and 2022 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Salaries and director fees	\$ 222,929	\$ 246,968	\$ 668,714	\$ 740,786

As at September 30, 2023, an amount of \$30,393 (December 31, 2022 - \$199,662) due to key management personnel, was included in payables and accruals. 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, 2023, the Company realized a net favourable foreign currency impact gain of \$531,027 (September 30, 2022: \$694,201) and \$3,271,556 (September 30, 2022 - \$6,259,216). This gain includes a net favourable foreign currency impact gain of \$267,458 (September 30, 2022: \$409,803) and \$2,516,482 (September 30, 2022 - \$2,727,753) realized from payments in kind received from South32 (Note 18).

SABLE RESOURCES LTD.

Notes to the Consolidated Financial Statements

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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. 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.

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

18. DEFERRED EXPLORATION RECOVERY

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

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 Don Julio 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 Don Julio in good standing, the Company retains the obligation to issue shares to the underlying owners. In the event that South32 terminates the EIA, and Olivares subsequently recovers or obtains any VAT, Sable must pay to South32 an amount equal to the amount of such recovered VAT.

On February 24, 2023, the Company signed an addendum to the EIA whereby 35% of any excess contributions above US\$8.5 million over five years or US\$10 million over six years made by South32 during the EIA period can be used as a credit by South32 for their portion of the first approved program and budget of the Joint Venture Period. The credit has a maximum value of US\$1.75 million.

During the nine month period ended September 30, 2023, Olivares received payments of \$5,061,267 or US\$3,761,067 equivalent (September 30, 2022: \$3,693,013 or US\$2,713,602 equivalent). Included in these payments were \$3,187,321 or US\$2,368,522 that were received in kind through the use of marketable securities (Note 16). These marketable securities were converted into cash upon receipt.

As at September 30, 2023, South32 invested a total of \$13,171,531 or US\$9,742,257 equivalent (December 31, 2022: \$8,100,924 or US\$5,981,190 equivalent). These payments have been deferred as a liability and represent a portion of the 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.

SABLE RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)



18. DEFERRED EXPLORATION RECOVERY (continued)

During the nine month period ended September 30, 2023, South32 completed its requirement of providing US\$8.5 million in exploration funding required over a five year period. South32 now has the right to acquire 65% of the shares of Olivares, and therefore the deferred liability representing the funding that will form consideration for South32's investment in Olivares has been classified as a current liability.

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 Don Julio 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.