



SABLE RESOURCES LTD.

**Management's Discussion and Analysis
For the year ended December 31, 2022**



MANAGEMENT DISCUSSION AND ANALYSIS AS OF APRIL 24, 2023

The purpose of this Management’s Discussion and Analysis (“MD&A”) is to provide management’s point of view regarding the performance of Sable Resources Ltd. (“Sable” or the “Company”). 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 consolidated financial statements of the Company for the year ended December 31, 2022 (“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, economic and political instability in foreign jurisdictions, fluctuations in gold prices, market conditions, the impact of the COVID-19 pandemic, results of current exploration activities, the possibility of a labour stoppage or shortage, evolving environmental standards, 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 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 this MD&A 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*.

COMPANY OVERVIEW

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 Argentina and Mexico.

Sable started exploration in San Juan, Argentina in 2018, becoming one of the most active players in the province with four active projects and a total of 163,969 hectares controlled. San Juan is home of the world-class Veladero Mine (Barrick Gold), the Gualcamayo mine (Mineros S.A.), as well as large and important exploration projects such as Filo del Sol (Filo Mining), Josemaria (Lundin Mining), Hualilan (Challenger Exploration), among others.

The province of San Juan has recently been highlighted as the most attractive destination for mining investment in Latin America (*Yunis, Jairo, and Elmira Aliakbari (2022). Fraser Institute Annual Survey of Mining Companies 2021. Fraser Institute. <http://www.fraserinstitute.org>*), replacing traditional mining jurisdictions like Chile and Peru.

RECENT DEVELOPMENTS

During the period ended December 31, 2022, 6,966,666 warrants were exercised for proceeds of \$1,451,333.

On February 24, 2023, the Company signed an addendum to the Earn-In Agreement with South32 (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.

Q4 2022 OPERATING HIGHLIGHTS

Mineral Properties

Argentina

- The 2022 / 2023 exploration season (September through May), commenced with field work at El Fierro in October, focusing on soil sampling, evaluation of soil anomalies and extensive trenching at the Pyros target, as well as regional prospection on the western portion of the properties.



- In December 2022, the Company commenced its planned 5,000m drilling campaign at Don Julio, which was subsequently expanded by South32 to 5,900m. The program is focused on the La Gringa and Punta Cana targets.
- At La Poncha, field work this season will consist of regional evaluation of ASTER anomalies and prospecting, looking for new drill targets and will be conducted towards the end of the exploration season during the months of April and May.
- Sable is advancing its target generation work in the province of San Juan and actively looking for new projects in other mining friendly provinces of Argentina.

Don Julio Project

- As of the date of this MD&A, 5,000m of drilling has been completed at Don Julio, focused on the La Gringa and Punta Cana targets.
- On March 7, 2023, the Company announced initial results from the ongoing drill program at Don Julio. Some of the highlighted intercepts from hole DJ-DH-22-12 are included below:
 - 2.21% CuEq (1.61% Cu; 19.1 g/t Ag; 0.38 g/t Au; 0.4% Zn) over 11.1m from 53.0 to 64.1m
Including:
 - 8.42% CuEq (6.52% Cu; 84 g/t Ag; 0.99 g/t Au; 1.21% Zn) over 0.7m from 55.0 to 55.7m
 - 5.96% CuEq (3.76% Cu; 25.4 g/t Ag; 2.39 g/t Au; 0.64% Zn) over 0.55m from 60.0 to 60.55m
 - 8.80% CuEq (6.75% Cu; 82.1 g/t Ag; 0.95 g/t Au; 1.74% Zn) over 0.5m from 63.6 to 64.1m
 - 1.3% CuEq (0.54% Cu; 6.81 g/t Ag; 0.95 g/t Au) over 13.7m from 149.0 to 162.7m
Including:
 - 11.11% CuEq (4.64% Cu; 56.6 g/t Ag; 8.09 g/t Au; 0.22% Zn) over 1.1m from 160.5 to 161.6m
 - 7.81% CuEq (3.52% Cu; 43.8 g/t Ag; 5.24 g/t Au; 0.24% Zn) over 0.5m from 162.2 to 162.7m
 - 3.58% CuEq (0.82% Cu; 7.95 g/t Ag; 3.69 g/t Au) over 2.0m from 202.0 to 204.0m
 - 10.58% CuEq (4.85% Cu; 50.4 g/t Ag; 7.19 g/t Au; 0.15% Zn) over 1.0m from 221.5 to 222.5m
- Additional to La Gringa and Punta Cana targets, Sable is drilling an initial test hole at the Fermin skarn target. Fermin is a Zn-Pb-Cu-Ag skarn discovered by the Company in 2019 that remains untested. Road access and the drill pad have been built.
- Since early October 2022, the geology team has extensively mapped different areas of the Don Julio cluster collecting 475 rock samples, all analyzed for Au, multi-elements and spectral data. At the Punta Cana target, 700 soil samples were collected in December 2022 with results of these soil samples showing different geochemical anomalies around the Punta Cana porphyry zone.

El Fierro Project

- The 2022 / 2023 exploration season will dedicate resources to extending the soil sampling completed last season over the Pyros target as well as follow-up of existent soil anomalies and prospecting over the large magnetic anomaly that characterizes the project.



- As of the date of this MD&A, 752 rock samples have been collected this season during the mapping, prospecting and trenching conducted at El Fierro. Additionally, 1,036 soil samples were collected between the months of October and December to connect the Pyros and Antena targets.
- The planned 3,000m drill program was postponed due to lack of drill rig availability and the decision to perform more target generation work. The next drill phase at El Fierro project will be planned once the ongoing target definition work is completed. The exact number of metres and drill sites will be based on the integration of alteration styles conforming the large alteration footprints of the Pyros and Antena targets, results from the first phase of drilling, geochemical results from the extensive soils and rocks sampling work done by Sable, and by the ongoing trenching and mapping over the most prospective areas.

La Poncha

- In the 2021 / 2022 exploration season, Sable completed its first drill campaign at Poncha North consisting of six holes and 2,216m that revealed the gold affinity of the system and the absence of significant copper values (see October 12, 2022 press release). Highlights from the drill campaign include the following intercepts:
 - 101.0m @ 0.32 g/t AuEq (0.19 g/t Au; 0.096% Cu), 115.0m @ 0.32 g/t AuEq (0.19 g/t Au; 0.096% Cu), 49.55m @ 0.32 g/t AuEq (0.18 g/t Au; 0.083% Cu; 47 ppm Mo) in hole PON-DH-22-01
 - 263m @ 0.3 g/t AuEq (0.18 g/t Au, 0.082% Cu, 13.7 ppm Mo), and 90.75m @ 0.28 g/t AuEq (0.14 g/t Au, 0.094% Cu, 25.3 ppm Mo) in hole PON-DH-22-02
 - 62.8m @ 0.20 g/t AuEq (0.17 g/t Au; 65 ppm Mo) in hole PON-DH-22-06
- The Company decided not to drill La Poncha this exploration season but to focus on performing field work on the regional side of the large Poncha property package. The field work to be conducted during the months of April and May will include soil sampling and evaluation of ASTER anomalies.
- A drilling decision for the 2023 / 2024 exploration season will be made in Q3 2023.

Mexico

The Company continues to evaluate existing anomalies within its land package in Chihuahua. During Q4 2022, the Company defined the new Vallecillo Project, a low-sulfidation system outcropping at high-level with significant anomalies of Au-Ag and pathfinders. Sable continues to work with its legal team in Mexico to accelerate the registration of titles of its large land packages in Queretaro, Zacatecas, and Chihuahua.

Sable plans to undertake an exploration program at Vallecillo during 2023 consisting of mapping, geophysics and soil sampling to define potential for drill testing of the best structures.

OUTLOOK

The Company is advancing its exploration season in Argentina focused on the drilling campaign at Don Julio which was recently expanded from 5,000m to 5,900m with regional prospecting work at El Fierro and La Poncha being undertaken.



EXPLORATION PROPERTIES

ARGENTINA



The Company has four active projects in Argentina:

- Don Julio
- Don Julio Regional (including Los Pumas)
- El Fierro
- La Poncha

Don Julio Projects

Through option contracts and staking, Sable controls more than 69,000 hectares at its Don Julio, Don Julio Cluster and other associated regional properties (“Don Julio Regional”), collectively “Don Julio” or the “Don Julio Projects” which properties are subject to the EIA with South32. Located in the pro-mining province of San Juan, the mineral claims are 62 km south of Barrick’s Alturas gold deposit. Under the EIA, South32 and the Company will jointly explore the Don Julio Projects. The main targets within the Don Julio cluster are described below:

Don Julio - Punta Cana Target

The Company discovered the Punta Cana porphyry in November 2021. The Punta Cana Au-Cu porphyry is located approximately 1.5km west of the southern margin of the known lithocap over an area of approximately 400 by 400m. Surface samples collected over the porphyry zone are as high as 3.2 g/t Au; and 0.53% Cu. On September 2, 2022, the Company announced drilling results including holes DJ-DH-22-06, and DJ-DH-22-08 that tested the Punta Cana porphyry and returned significant anomalies of Au, Cu, Ag, Mo, and Zn with intercepts such as:



DJ-DH-22-06

- 75.25m @ 0.44 g/t AuEq (14.08 g/t Ag; 0.11 g/t Au; 0.12% Cu) from 324.0 to 399.25
Including
 - 29.5m @ 0.68 g/t AuEq (28.83 g/t Ag; 0.13 g/t Au; 0.14% Cu) from 335.5m to 365.0m

DJ-DH-22-08

- 403m @ 0.27 g/t AuEq (0.12 g/t Au; 3.65 g/t Ag; 0.077% Cu) from 150.0m to 553.0m

During the current season, the Company has drilled hole DJ-DH-23-16 at Punta Cana to test the core of a magnetic anomaly which intercepted significant zones of chalcopyrite and bornite in veinlets with results not received yet.

Don Julio - La Gringa Target

La Gringa target has become the focus of exploration within Don Julio. Last season, the Company drilled holes DJ-DH-22-07 and DJ-DH-22-09 which successfully transitioned from advanced argillic into potassic alteration with abundant porphyry veining and strong anomalies of Mo and Cu. This season, the Company has drilled nine holes at La Gringa extending its footprint to 1.6 by 1.2km and defining several styles of mineralization such as: Cu-Mo porphyry; high-grade Cu-Au in high-sulfidation “mantos”; and finally mineralized breccias with diatreme style.

Don Julio - Poposa Target

Poposa, a third porphyry target, is located on the southern extreme of the Don Julio lithocap. This target was also tested last season with three holes (DJ-DH-22-01, DJ-DH-22-02, DJ-DH-22-03) however none of the holes reached the planned depth due to rig issues and the target remains open with strong indications of proximity to a porphyry centre.

Additional to the Punta Cana, La Gringa and Poposa porphyry targets, the Don Julio cluster includes several intermediate sulfidation vein systems such as San Gabriel, Lodo, and Colorado, as well as the Zn-Pb-Cu Fermin skarn; all of them untested. Sable and South32 have agreed to drill a scout hole at the Fermin skarn before the end of this season; road access is being built towards the planned drill pad.

Don Julio Regional - Los Pumas Project

In January 2021, Sable announced geochemical sampling results from the Los Pumas Project located 21 km south of the Don Julio Cluster where the Company collected 260 rock samples that returned values of up to 103 g/t Au; 2,650 g/t Ag; and 2.9% Cu.

Exploration work for the 2021 / 2022 season included 23km of road construction, 1.6km of trenching; mapping, prospection, and 294 rock samples. Trenching at the “Main zone” returned encouraging values including 35.2m @ 0.71 g/t AuEq (19.93 g/t Ag, 0.067 g/t Au, 0.29% Cu) in trench 9; 31.4m @ 0.3 g/t AuEq (5.7 g/t Ag, 0.015 g/t Au, 0.16% Cu) in trench 8; and 33.4m @ 0.35 g/t AuEq (15.45 g/t Ag, 0.032 g/t Au, 0.072%Cu, 86 ppm Mo) in trench 12. Sable will define with its partner South32 the timing and budget for an initial drill test at Los Pumas.



In addition to the Los Pumas Project, the Company holds large unexplored areas within the regional block of Don Julio. All the exploration work at Don Julio, Los Pumas, and Don Julio Regional are fully financed by South32.

El Fierro Project

El Fierro Project is located 250 km northwest of San Juan city and 120 km north of Sable's Don Julio Project. El Fierro is a historical small-scale mining district where silver, lead and zinc were intermittently mined from the late 1800s until the 1960's decade. The area had not seen any modern exploration and had never been drilled before Sable's first drill program conducted in 2021.

El Fierro is a large (approximately 10 km x 10 km) magmatic hydrothermal system located on the eastern margin of an interpreted Miocene caldera. Magmatism as currently understood is centered on the Pyros porphyry stock and the Antenna Hill diorite stock, both of 20 Ma. Peripheral to these intrusive centres and distributed in four main zones there are a number of sub-epithermal polymetallic veins that were the initial focus of Sable's exploration and yielded very significant intercepts of Ag, Au, Cu, Pb, Zn mineralization in multiple holes drilled in 2021. After discovering the Pyros porphyry, Sable's exploration focus shifted to the discovery of a large Cu-Au-Mo porphyry deposit.

El Fierro - Pyros Target

As a result of exploration at the El Fierro Project, the Company discovered the Pyros porphyry target which was an important part of the recently completed drilling campaign. Sable drilled 13 holes at Pyros in 2022, discovering a large multiphase Miocene stock hosted within Permian granitic rocks. Several of the holes intercepted significant intervals of Cu-Mo-Au mineralization. After extensive trenching and interpretation of geochemistry, and spectral data, the Company believes there are chances of higher grade Cu mineralization at deeper levels associated to "early halo" style mineralization. In order to verify, a deep drilling program will need to be undertaken.

La Poncha Project

In March 2021, the Company signed an option agreement for the La Poncha Project comprising 18,114 hectares and located 69 km north of Don Julio and 50 km south of the El Fierro Project. The La Poncha 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. In 2022 Sable drilled 2,216m at the Poncha North target obtaining long intercepts of low to medium grade of gold with no encouraging copper anomalies. Sable plans to focus its future efforts towards the definition of new drilling targets within La Poncha land package. Poncha South target remains untested by Sable and may represent a good opportunity for future campaigns.



MEXICO

The Company has four active projects in Mexico:

- Vinata Project
- Vallecillo Project
- El Escarpe Project
- Mexico Regional Program



Vinata Project

The Vinata Project is located 50 km south of the city of Chihuahua. Vinata surface geology is characterized by a number of epithermal silica-carbonate veins with high-level textures and pathfinders' anomalies; the veins are hosted within a Tertiary ignimbrite sequence deposited discordantly on top of Cretaceous limestones. Sable drill tested the vein system intercepting low-grade gold mineralization in rhyolite layers, the gold anomaly extends for 700m along strike and remains open to the west under quaternary coverage.

El Escarpe Project

El Escarpe is an early-stage project, centrally located in the state of Queretaro, only 2.5 hours from Mexico City. Escarpe represents a low-sulfidation system hosted in Tertiary volcanic rocks partially covered by post-mineral basalts. Through erosional windows in the basalts several zones of veining have been observed outcropping and subcropping; the type of silica and the textures of the veins along with the geochemical anomalies indicate proximity to the "Bonanza" level. Samples collected at Escarpe have returned values of up to 1.49 g/t Au, up to 66.1 g/t Ag with anomalous As, Ba, Hg and Sb. Mineralization seems to be controlled by a main NS structure that runs for several kilometers. Two zones of mineralization have been defined at Escarpe: Central area of around 700m by 200m, and southern area of approximately 1.2km by 200m. Both areas exhibit the same characteristics: opaline to chalcedonic silica veins, veinlets and breccias with Au-Ag anomalies.

Vallecillo Project

The recently identified Vallecillo project is located only 30 minutes southwest of the city of Chihuahua within the Vallecillo Ejido and within ground 100% owned by Sable. A number of epithermal veins crosscut a sequence of Cretaceous limestone and Tertiary volcanics. At their lowest elevation the veins show values of up to 0.25 g/t Au and 97 g/t Ag as well as important values of pathfinders. The veins show good potential of returning higher grades of Au-Ag at deeper levels.



Mexico Regional

No work has been conducted in the regional properties in Chihuahua during Q1. However, the Company will finalize its evaluation of the regional titles before the end of the year with the goal of reducing hectares and minimizing tax payments for 2024.

DISCUSSION OF OPERATIONS

For the three months ended December 31, 2022 and 2021:

Net loss for the three month period ended December 31, 2022 was \$1,871,994 compared with \$4,833,710 for the three month period ended December 31, 2021. The decrease for the period is primarily due to the following variances:

- Exploration expenditures were \$3,659,443 for the three-month period ended December 31, 2022 (December 31, 2021 - \$5,052,118). The decrease is due primarily to reduced activity at the El Fierro and La Poncha project, partially offset by increased activity at the Don Julio project.
- General and administrative expenses were \$736,708 for the three-month period ended December 31, 2022 (December 31, 2021 - \$801,742). The decrease is primarily due to lower bank fees and taxes (non-income) due to reduced exploration activity in Argentina.
- Interest income of \$262,867 for the three-month period ended December 31, 2022 (December 31, 2021 - \$16,311). The increase is due to GIC interest earned, combined with increases in the interest rates offered by the Canadian and Argentinian financial institutions with which the Company holds funds.
- Gain of \$1,645,748 on use of marketable securities for the year ended December 31, 2022 (December 31, 2021 – \$2,037,514). The decrease is due to decreased exploration expenditures in Argentina, as well as the trend in the Argentine Peso versus the Canadian and US dollars during the respective periods.

For the years ended December 31, 2022 and 2021:

Net loss for the year ended December 31, 2022 was \$11,910,088 compared with \$10,139,585 for the year ended December 31, 2021. The increase for the period is primarily due to the following variances:

- Exploration expenditures were \$16,096,790 for the year ended December 31, 2022 (December 31, 2021 - \$10,208,806). The increase was due primarily to the three active drill campaigns at the Don Julio, El Fierro and La Poncha projects in 2022, compared to only one drilling campaign in the comparable period at the El Fierro project.
- General and administrative expenses were \$2,225,065 for the year ended December 31, 2022 (December 31, 2021 - \$1,799,772). The increase is due to higher salaries and professional fees as a result of the increased exploration activities required to support the exploration objectives.

SABLE RESOURCES LTD.
Management's Discussion and Analysis
For the year ended December 31, 2022



- Interest income of \$699,032 for the year ended December 31, 2022 (December 31, 2021 - \$49,880). The increase is due to GIC interest earned, combined with increases in the interest rates offered by the Canadian and Argentinian financial institutions with which the Company holds funds.
- Gain of \$7,904,964 on use of marketable securities for the year ended December 31, 2022 (December 31, 2021 – \$4,100,044). The increase is due to increased exploration expenditures in Argentina, as well as the trend in the Argentine Peso versus the Canadian and US dollars during the respective periods.

Property Related Expenditures

Exploration expenditures by type

	Three months ended December 31,	
	2022	2021
<i>Exploration expenditures</i>		
Employee compensation	\$ 60,174	\$ 156,917
Camp and transportation	337,999	376,402
Consultants, geochemistry, and geophysics	1,205,051	1,164,071
Drilling	346,929	1,176,964
Fuel	235,602	235,872
Field supplies	206,954	340,113
Lease and rentals	1,019,301	1,370,896
Office and general and administrative	121,108	39,583
Insurance, bank fees and taxes (non-income)	78,008	173,777
Depreciation	48,317	17,523
Total exploration expenditures	\$ 3,659,443	\$ 5,052,118

	Year ended December 31,	
	2022	2021
<i>Exploration expenditures</i>		
Employee compensation	\$ 258,129	\$ 409,420
Camp and transportation	929,121	811,709
Consultants, geochemistry, and geophysics	4,198,997	2,755,834
Drilling	4,596,048	1,909,624
Fuel	808,568	428,130
Field supplies	1,446,225	774,714
Lease and rentals	2,874,105	2,302,707
Office and general and administrative	432,699	349,199
Insurance, bank fees and taxes (non-income)	501,209	449,733
Depreciation	51,689	17,736
Total exploration expenditures	\$ 16,096,790	\$ 10,208,806



Exploration expenditures by project

	Three months ended December 31,	
	2022	2021
<i>Exploration expenditures</i>		
Don Julio	\$ 2,189,113	\$ 660,095
Don Julio Regional	-	362,603
El Fierro	1,328,793	3,313,579
La Poncha	82,050	613,544
Mexico Regional	59,487	102,297
Total exploration expenditures	\$ 3,659,443	\$ 5,052,118

	Year ended December 31,	
	2022	2021
<i>Exploration expenditures</i>		
Don Julio	\$ 6,949,627	\$ 1,502,925
Don Julio Regional	26,063	515,791
El Fierro	6,737,264	6,685,975
La Poncha	2,023,434	1,055,851
Mexico Regional	360,402	274,598
Vinata	-	173,666
Total exploration expenditures	\$ 16,096,790	\$ 10,208,806

SABLE RESOURCES LTD.
Management's Discussion and Analysis
For the year ended December 31, 2022



General and administrative expenditures by type

	Three months ended December 31,	
	2022	2021
<i>General and administrative expenditures</i>		
Salaries and director fees	\$ 308,080	\$ 346,861
Travel	13,511	11,317
Shareholder communication and investor relations	91,830	48,320
Filing and transfer agent fees	39,124	30,630
Professional fees	173,745	134,646
Lease and rentals	4,005	5,977
Office and general administrative	49,514	69,501
Insurance, bank fees and taxes (non-income)	49,684	147,455
Depreciation	7,215	7,215
Total general and administrative expenditures	\$ 736,708	\$ 801,922

	Year ended December 31,	
	2022	2021
<i>General and administrative expenditures</i>		
Salaries and director fees	\$ 842,768	\$ 779,132
Travel	62,537	19,460
Shareholder communication and investor relations	298,733	219,230
Filing and transfer agent fees	176,637	144,587
Professional fees	418,756	287,460
Lease and rentals	21,848	17,283
Office and general administrative	129,604	101,331
Insurance, bank fees and taxes (non-income)	245,321	202,428
Depreciation	28,861	28,861
Total general and administrative expenditures	\$ 2,225,065	\$ 1,799,772

SELECTED FINANCIAL INFORMATION

	As at and for the year ended December 31, 2022	As at and for the year ended December 31, 2021	As at and for the year ended December 31, 2020
Net (loss) income	(11,910,088)	(10,139,585)	4,408,414
Net (loss) income per share - basic and diluted	(0.05)	(0.04)	0.02
Current assets	17,300,146	23,913,391	20,661,943
Non-current assets	5,499,163	4,556,152	3,995,400
Current liabilities	1,034,310	1,181,120	1,479,513
Non-current liabilities	8,158,962	1,927,931	117,551

Current assets at December 31, 2022 were \$17,300,146 versus \$23,913,391 at December 31, 2021. The decrease is primarily the result of \$12,528,246 of cash flows used in operating activities, offset by the receipt of \$5,795,734 from South32 under the EIA and \$1,736,333 from option and warrant exercises.

SABLE RESOURCES LTD.
Management's Discussion and Analysis
For the year ended December 31, 2022



Non-current assets at December 31, 2022 were \$5,499,163 versus \$4,556,152 at December 31, 2021. The increase is the result of option payments made at the various projects the Company has in Argentina.

Non-current liabilities at December 31, 2022 were \$8,158,962 versus \$1,927,931 at December 31, 2021. The increase is primarily due to the capital contributions made by South32 in relation to the Don Julio EIA.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly financial information for each of the last eight quarters.

Quarter Ending	Total Assets \$	Total Liabilities \$	Net Income (Loss) \$	Net Income (Loss) per share \$
December 31, 2022	23,009,190	9,403,153	(1,871,994)	(0.01)
September 30, 2022	22,680,766	6,018,255	(1,231,356)	(0.01)
June 30, 2022	22,678,217	5,929,109	(5,009,136)	(0.02)
March 31, 2022	28,342,405	7,077,079	(3,797,602)	(0.02)
December 31, 2021	28,469,543	3,109,051	(4,833,710)	(0.01)
September 30, 2021	31,502,688	1,616,755	(1,337,529)	(0.01)
June 30, 2021	33,055,712	1,653,744	(1,857,144)	(0.01)
March 31, 2021	22,830,897	2,118,345	(2,111,202)	(0.01)

The net losses incurred are a result of ongoing exploration work at the Company's projects in Argentina and Mexico. Due to the geographical location of the Company's mineral properties, the Company's business activities generally fluctuate with the seasons, through increased exploration expenditures during the summer months in Argentina.

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. As at December 31, 2022, the Company had a cash and cash equivalents position of \$17,152,362 (December 31, 2021 - \$22,751,313) and working capital of \$16,265,836 (December 31, 2021 - \$22,732,271).

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 makes adjusts it based on 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. There is no assurance that future equity capital will be available to the Company in the amounts



or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Risk Factors" below.

Management believes that the Company's cash resources are sufficient to meet its working capital and mineral exploration requirements for its next fiscal year, as these expenditures are considered discretionary by management.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

OUTSTANDING SHARE DATA

Issued Capital

The Company's authorized share capital consists of an unlimited number of common shares. As at December 31, 2022 an aggregate of 286,364,898 common shares were issued and outstanding and 286,564,898 as at the date of this MD&A.

Stock Options

The Company had 21,785,000 options as of December 31, 2022 and 19,410,000 of the date of this MD&A.

Restricted Shares Units ("RSUs")

The Company had no RSUs outstanding as of December 31, 2022 and as of the date of this MD&A.

Warrants

The Company had 31,424,492 warrants outstanding as of December 31, 2022 and as at the date of this MD&A.

OFF-BALANCE SHEET TRANSACTIONS

The Company did not have any off-balance sheet arrangements as at December 31, 2022 or as of the date of this MD&A.

RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the years ended December 31, 2022 and 2021:

- The Company incurred exploration costs in the amount of \$13,751 (December 31, 2021 - \$18,577) paid to Talisker Exploration Services Ltd., a private company with shared directors and officers. Included in payables and accruals at December 31, 2022 are \$nil (December 31, 2021 - \$6,924).

SABLE RESOURCES LTD.
Management's Discussion and Analysis
For the year ended December 31, 2022



- The Company incurred general and administrative expenses in the amount of \$11,256 (December 31, 2021 - \$12,720) 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 (December 31, 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 (December 31, 2021 - \$10,057) by TDG Gold Corp., a public company with a former shared director, 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.

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 years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Salaries and director fees	\$ 1,129,260	\$ 1,278,443
Share based expense	264,600	411,800
	\$ 1,393,860	\$ 1,690,243

As at December 31, 2022, an amount of \$199,662 (December 31, 2021 - \$410,558) due to key management personnel, was included in payables and accruals. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

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	\$ 32,651	\$ 59,861	\$ -	\$ -



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 judgments 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 is estimated by management based on assumptions about future events. Estimates and assumptions 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 Argentina and Mexico 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 Argentina, including 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.

Deferred Exploration Recoveries

Management considered the facts and circumstances surrounding the receipt of deferred exploration recoveries in determining that it represents a liability to the Company. The payment represents a portion of the funding that will form the consideration for South32's investment in Olivares S.A., should South32 exercise its right to acquire a 65% direct interest in Olivares S.A. In management's view, as the Company continues to operate the Don Julio Project, this payment for the future sale of a controlling interest in Olivares S.A. is considered to be a present obligation of the Company.

Going Concern

These consolidated financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management has applied judgment in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern assumption is appropriate for a period of at least twelve months following the Auditor's report date. Given the judgment involved, actual results may lead to a materially different outcome.



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. The Company monitors gold and silver prices to determine the appropriate course of action to be taken by the Company.

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.

FINANCIAL RISK FACTORS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no material changes in the risks, objectives, policies and procedures from the previous period.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents. Management believes that the credit risk concentration with respect to the cash and cash equivalents is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

As at December 31, 2022, the Company had a cash and cash equivalents balance of \$17,152,362 (December 31, 2021 - \$22,751,313) to settle current liabilities of \$1,034,310 (December 31, 2021 - \$1,181,120). Working capital for the Company as at December 31, 2022 was \$16,265,836 (December 31, 2021 - \$22,732,271).



Market risk

(a) Interest rate risk

The Company has significant cash balances. The Company's current policy is to invest excess cash in high-yield savings accounts or other highly liquid interest-bearing short-term investments. Management has determined interest rate risk to be low.

(b) Foreign currency risk

The Company's reporting currency is the Canadian dollar. The functional currency of the Company is the Canadian dollar. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in US dollars, Argentine Peso and the Mexican Peso.

Based on the foreign currency balances at December 31, 2022, a 10% change in foreign exchange rates between the Canadian dollar and these foreign currencies over the next year would affect the net comprehensive loss by approximately \$191,963. This analysis only addresses the impact on financial instruments with respect to currency movement and excludes other economic or geopolitical implications of such currency fluctuation. In practice, actual results will likely differ from this analysis and the difference may be material.

(c) Commodities price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to gold and silver to determine the appropriate course of action to be taken by the Company.

Other price risk

From time to time, as part of the funding process to its subsidiary, the Company holds equity instruments for periods of two to three business days with the intention of trading. During these holding periods, the Company is exposed to changes in share prices which result in gains or losses being recognized in profit and loss. The Company does not hold these equity instruments at period end and therefore had no exposure to price risk as of December 31, 2022.

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 mineral reserves. Success in establishing reserves is a result of several 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 that 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.

No Assurance of Profitability

The Company has no history of earnings and due to the nature of its business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only sources of funding presently available to the Company are from the sale of its securities (including common shares) or from the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether a commercial deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk. See "Sources of Funds and Share Price Fluctuation Risks" below.

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 that 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.

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.

Foreign Operations Risk

The Company conducts exploration activities in foreign countries, including Argentina and Mexico. Each of these countries exposes the Company to risks that may not otherwise be experienced if all operations were in Canada. The risks vary from country to country and can include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties, as well as the revocation or suspension of previously issued mining permits. Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Company's existing assets and operations. Real and perceived political risk may also affect the Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Company has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions, or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be



no assurance that the Company's assets in these countries will not be subject to nationalization, requisition, or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

Non-compliance with applicable laws, regulations and permitting requirements (including allegations of such) may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed or causing the withdrawal of permits or mining licenses, and the imposition of corrective measures requiring material capital expenditure or remedial action resulting in materially increased cost of compliance, reputational damage and potentially impaired ability to secure future approvals and permits. The Company may be required to compensate third parties for loss or damage and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Economic and Political Instability in Argentina

The Company has projects located in San Juan Province, Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina, especially as there is social opposition to mining operations in certain parts of the country. During an economic crisis in 2001 to 2003 and again in 2014 and 2020, Argentina defaulted on foreign debt repayments and on the repayment on several official loans to multinational organizations. In addition, the Argentinean government has renegotiated or defaulted on contractual arrangements. The current government, which took office in December 2019, has reinstated currency controls previously lifted by the opposition government, which, among other things, restricts the ability of companies and its citizens to obtain United States dollars, in each case requiring Central Bank approval (resulting in, at times, a limitation on the ability of multinational companies to distribute funds abroad in United States dollars).

While the political environment in Argentina continues to develop, and the status of currency controls and restrictions remains fluid, past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may adversely affect the Company's activities in Argentina, or in its ability to obtain financing for its projects in the future.

Sources of Funds and Share Price Fluctuation Risks

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 the value of an investment in the securities.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company have experienced wide fluctuations in share prices which have not



necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues and the corresponding effect on the Company's financial position.

Possible Dilution to Present and Prospective Shareholders

The Company's operating plans, in part, contemplate the financing of its business by the issuance of securities and possibly incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective shareholders. The Company has sought a joint venture partner to fund the exploration of the Don Julio Project. Offering an interest in its Don Julio Project to a partner would dilute the Company's interest in the project.

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 the 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 and may also be affected by undetected defects or the rights of indigenous peoples. Surveys have not been carried out on the Company's mineral properties, and their boundaries and areas could be in doubt. The rules governing mining concessions in Mexico and Argentina are complex and any failure by the Company to meet requirements would have a material adverse effect on the Company. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining



authorizations will not be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license.

Surface Rights and Access

Although the Company acquires the rights to some or all of the mineral resources in the ground subject to the tenures that it acquires or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time-consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry-on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

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 of future product sales, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

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, Argentine Pesos, and Mexican Pesos. The Company has not entered any foreign currency contracts to mitigate this risk.



Option, Joint Venture and Earn In Agreements

The Company has and may continue to enter into option agreements, joint ventures, and/or earn in agreements (collectively "Partner Agreements") as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Company.

Under the terms of such Partner Agreements the Company may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with Partner Agreements are difficult to predict with any degree of certainty; however, were the Company forced to suspend operations on any of its concessions or pay any material fees, royalties, or taxes, it could result in a material adverse effect to the Company's business, financial results and condition.

Under the terms of such Partner Agreements, in the event a partner decided to cease funding and terminate the Partner Agreement, the Company may be subject to the payment of income tax in the local jurisdiction. The termination of a Partner Agreement could also result in other material adverse effects to the Company's business, financial results, and condition.

The Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

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 a 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, the 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 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 the infectious disease risks noted above and as such the Company's operations may be adversely affected by such infectious 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

During the year ended December 31, 2022, the Company continued to monitor and test for COVID-19 at its projects. The Company continues to monitor developments with respect to COVID-19, both globally and within its operating jurisdictions, and will remain adaptive and implement any changes to its COVID-



19 protocol, or its business in general, as may be deemed appropriate to mitigate any potential impacts to its business and its stakeholders. Such changes may include, but are not limited to, reduced operations, temporary closures of the Company's project site or offices, and deviations from the timing and nature of previous operating plans. Moreover, sustained COVID-19 outbreaks have resulted in operational and supply chain delays and disruption as a result of governmental regulation and preventative measures being implemented worldwide, including in Argentina and Mexico. The Company could also be required to close, curtail or otherwise limit its operating activities as a result of the implementation of any such governmental regulation or preventative measures in the jurisdictions in which the Company operates, or as a result of sustained COVID-19 outbreaks at its project site or facilities. Any such closures or curtailments could have an adverse impact on the business of the Company.

Community Relations and Public Opposition to Mining Activities

The Company's relationships with the communities in which it operates are critical to the future success of its existing operations and the construction and development of its projects. In recent years, there has been ongoing and potentially increasing public concern relating to the effects of resource extraction on the natural landscape, communities and the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose globalization and resource development can be vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. In addition, there have been many instances in which local community groups have opposed resource extraction activities, resulting in disruption and delays to the relevant operations. Adverse publicity generated by such NGOs or others related to the mining industry or to the extractive industries generally, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, there is no guarantee that its efforts in this respect will mitigate this potential risk. NGOs or local community groups could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, despite the Company's successful compliance with social and environmental best practices. Any such actions and the resulting media coverage could have adverse effects on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the business, financial condition, results of operations, cash flows or prospects of the Company.

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 regulations 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 that 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,



and 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 the development of new mining properties.

In parts of Argentina, there is environmental opposition to both mineral exploration and mining. Accordingly, there may be a certain degree of anti-mining sentiment that could potentially affect the risk of successfully developing the Company's mineral projects.

The Argentine Congress has passed legislation designed to protect the country's glaciers. This law would restrict development on and around glaciers. The detailed regulations that will govern the implementation of the law have not yet been written. Although not anticipated, this legislation could affect the Company's ability to develop parts of its mineral projects.

Geopolitical and Economic Risk

In recent years, in addition to the spread of COVID-19, events such as the invasion of Ukraine by Russia and the collapse of financial institutions such as the Silicon Valley Bank, have severely impacted many local economies around the globe. Global stock markets also experienced great volatility, with governments and central banks having responded with monetary and fiscal interventions to stabilize economic conditions.

The continued impacts from such events and the resulting inflation and interest rate measures experienced globally, as well as the effects of certain countermeasures taken by central banks have, and are expected to continue to, adversely affect the Company. Although it is difficult for the Company to accurately predict the extent to which it might be so affected, the Company will continue to monitor all developments.

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.

Risk of Legal Proceedings in the Ordinary Course of Business

Due to the nature of its business, the Company may be subject to regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The Company's operations are subject to the risk of legal claims by employees, unions, contractors, lenders, suppliers, joint venture



partners, shareholders, governmental agencies or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. Plaintiffs may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. Defense and settlement costs can be substantial, even with respect to claims that have no merit. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of the discovery of new evidence or advancement of new legal theories, the difficulty of predicting the decisions of judges and juries and the possibility that decisions may be reversed on appeal. The litigation process could, as a result, take away from the time and effort of the Company's management and could force the Company to pay substantial legal fees or penalties. There can be no assurances that the resolutions of any such matters will not have a material adverse effect on the Company's business, financial condition and results of operations.

Compliance with Anti-Corruption Laws

The Company is subject to various anti-corruption laws and regulations such as the *Canadian Corruption of Foreign Public Officials Act*. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents.

The Company's projects are located in Argentina and Mexico, which are perceived as having fairly high levels of corruption relative to Canada. The Company cannot predict the nature, scope or effect of future anti-corruption regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted. Failure to comply with the applicable legislation and other similar foreign laws could expose the Company and/or its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations.

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 purposes 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

SABLE RESOURCES LTD.
Management's Discussion and Analysis
For the year ended December 31, 2022



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.