

# Sable Resources Ltd. Announces Strategic Investment with Osisko Gold Royalties

/NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES./

TORONTO, Aug. 29, 2019 /CNW/ - Sable Resources Ltd. (the "Company" or "Sable") (TSX Venture: SAE) announces that it has entered into an Investment Agreement along with an Equity Subscription Agreement with Osisko Gold Royalties Ltd ("Osisko", OR-T) for total potential proceeds of \$12.58 million (the "Financing"). Sable believes that the Financing will provide the Company with the funding to progress its exploration objectives over its entire portfolio for the next 4 years.

Pursuant to the Equity Subscription Agreement Osisko has subscribed for 16 million units of Sable at a price of \$0.13 per unit for a total of \$2,080,000. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant allows Osisko to purchase an additional common share of Sable for a period of three years at a price of \$0.21 per common share. The subscription price of \$0.13 per unit represents a 12% premium to Sable's 30-day volume-weighted average price per common share. Following the unit subscription, Osisko now owns approximately 9.86% of the issued and outstanding common shares of Sable on a non-diluted basis.

In connection with the Financing, Osisko and Sable have also entered into a binding Investment Agreement, the provisions of which include, inter alia, the following rights in favor of Osisko:

- A right of first refusal over any royalty, stream, or similar right in Sable properties;
- Equity participation right to maintain pro-rata ownership interest so long as Osisko owns more than 5% of the outstanding common shares of Sable; and
- The right to nominate one person to Sable's board of directors so long as Osisko owns more than 5% of the outstanding common shares of Sable.

In addition, Sable and Osisko will also be entering into a Royalty Purchase Agreement which will allow Osisko to acquire a 1% net smelter return royalty ("NSR") on properties controlled by Sable's wholly owned subsidiaries in Mexico for \$5 million (the "Initial Properties"). The royalty will extend to any additional properties (the "Future Properties") acquired by Sable within a period of 4 years from the closing of the Royalty Purchase Agreement (the "Maturity Date").

As part of the Royalty Purchase Agreement, Sable will also grant Osisko the right to acquire an additional 1% NSR for \$5.5 million on all minerals produced from Initial Properties and Future Properties, this right will expire on the Maturity Date. Completion of the royalty transactions with Osisko remains subject to execution of definitive documentation and the approval of the TSX Venture Exchange.

The 16 million common shares and 8 million Warrants issued to Osisko are subject to a statutory hold period expiring on December 29, 2019. The issuance of such securities remains subject to the final approval of the TSX Venture Exchange.

Sable President/CEO Tom Obradovich stated "This investment by Osisko demonstrates the confidence they have in our exploration team and quality of our projects. The financing offers Sable the opportunity to drill test our permitted Vinata Project as well as our other established drill targets in Mexico, Peru and Argentina with relatively low dilution to our existing shareholders. Exploration and drilling on Vinata will begin immediately after closing of the financing package."

**About Sable Resources Ltd.**

Sable Resources Ltd. is a well-funded junior grassroots explorer focused on the discovery of new precious metal projects through systematic exploration in endowed terrains located in favourable, established mining jurisdictions. Sables' main focus is developing its large portfolio of new greenfields projects to resource stage utilizing their Upper Level Epithermal Strategy. Sable is actively exploring the San Juan Regional Program (35,000ha) incorporating the Don Julio Project in San Juan Province, Argentina, the Mexico Regional Program (1.16Mha in application, 39,000ha titled), incorporating the Margarita, Vinata and El Escarpe drill ready projects.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*

## **Forward-Looking Statements**

*Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to, among other things, Sable's exploration objectives over its portfolio, the execution of the Royalty Purchase Agreement and related definitive documentation, the grant of the NSR and approval of TSX Venture Exchange. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. Although such statements are based on reasonable assumptions of management, there can be no assurance that any conclusions or forecasts will prove to be accurate.*

*The forward-looking information contained in this release is made as of the date hereof, and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*

SOURCE Sable Resources Ltd.

View original content: <http://www.newswire.ca/en/releases/archive/August2019/29/c8398.html>

%SEDAR: 00008665E

**For further information:** on this press release, please contact Tom Obradovich, President and Chief Executive Officer of the Company at (416) 985-7140 or [tobradovich@sympatico.ca](mailto:tobradovich@sympatico.ca).

CO: Sable Resources Ltd.

CNW 07:00e 29-AUG-19