



Sable and South32 Sign Earn-in Agreement to Jointly Explore the Don Julio Project in San Juan, Argentina

VANCOUVER, BC, Jan. 28, 2021 /CNW/ - Sable Resources Ltd. ("Sable" or the "Company") (TSXV: SAE) (OTCQB: SBLRF) is pleased to announce that the Company and its wholly-owned subsidiary, Olivares S.A. ("Olivares"), have signed an earn-in agreement (the "EIA") with a wholly-owned subsidiary of South32 Limited ("South32"), to jointly explore the Don Julio Project located in San Juan Province, Argentina (the "Project").

The Project comprises a 58,000 hectare land package containing several Cu-Au porphyry, Ag-Au epithermal, and polymetallic skarn targets, which were generated from detailed mapping and geochemistry work over the past two and a half years. Sable has assigned its option to acquire a 100% interest in the Project from the Project's underlying owners to Olivares as part of this transaction.

EIA Summary

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

A technical committee comprising representatives from each of Sable and South32 will review and approve annual exploration programs and budgets during the EIA Period. All decisions of the technical committee will be decided by majority vote, with South32 having a casting vote.

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. Sable, 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 world wide marketing and distribution agent for product produced;
- In the event that Sable or South32 dilute below a 10% interest in Olivares, then the non-diluted party is entitled to buy out the diluted party's participating interest; and
- At any time, should the surrender or abandonment of part of the Project be authorized by Olivares, each shareholder will have the right to elect to take an assignment of the surrendered or abandoned portion, subject to any prior rights of third parties.

The EIA is subject to a number of conditions, including receipt of approval from the TSX-V, the execution of an Acknowledgement and Consent Agreement between Sable, Olivares, South32 and the underlying owners of the Project as well as the execution of an Acknowledgement and Consent Agreement between Sable, Olivares, South32 and Osisko Gold Royalties Ltd.

Ruben Padilla, Sable's President and CEO stated, "We are very pleased with having signed this agreement with South32. The 2021 work plan includes a 675 kilometre MagSurvey commencing in January, which will be followed by ground IP over elected areas of interest. The new geophysical data will be integrated with the available geological and geochemical information to define and rank drill targets and plan the initiation of the first round of drilling."

ABOUT SABLE RESOURCES LTD.

Sable is a well-funded junior grassroots explorer focused on the discovery of new precious metal projects through systematic exploration in endowed terranes located in favorable, established mining jurisdictions. Sable's main focus is developing its large portfolio of new greenfields projects to resource stage utilizing its Upper Level Epithermal Strategy. Sable is actively exploring the San Juan Regional Program (109,055 ha) incorporating the Don Julio and El Fierro Projects in San Juan Province, Argentina; and the Mexico Regional Program (1.16Mha in application, 39,000ha titled) incorporating the Vinata and El Escarpe projects.

ABOUT SOUTH32 LTD.

South32 is a globally diversified mining and metals company. South32's purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come. South32 is trusted by its owners and partners to realise the potential of their resources.

South32 produces bauxite, alumina, aluminium, energy and metallurgical coal, manganese, nickel, silver, lead and zinc at its operations in Australia, Southern Africa and South America. With a focus on growing its base metals exposure, South32 also has two development options in North America and several partnerships with junior explorers around the world.

Related link: sableresources.com

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.


Caution Regarding 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 Sable's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. Although such statements are based on reasonable assumptions of Sable's management, there can be no assurance that any conclusions or forecasts will prove to be accurate.

While Sable considers these assumptions to be reasonable based on information currently available, they may prove to be incorrect. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to variations in grade or recovery rates, risks relating to changes in mineral prices and the worldwide demand for and supply of minerals, risks related to increased competition and current global financial conditions and the COVID-19 pandemic, access and supply risks, reliance on key personnel, operational risks, and regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks.

The forward-looking information contained in this release is made as of the date hereof, and Sable 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.

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