

Sable Exploration and Mining Limited

Registration Number 2001/006539/06

GROUP INTERIM FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2023

Sable Exploration and Mining Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2001/006539/06)

JSE share code: SXM ISIN: ZAE000303319

("SEAM or "the company" or "the group")

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE 6 MONTHS ENDED 31 AUGUST 2023

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2023

	Unaudited 6 months ended 31 Aug 2023	Audited year ended 28 Feb 2023	Unaudited 6 months ended 31 Aug 2022
Assets			
Non-Current Assets			
Other Financial Assets	-	-	-
Current Assets			
Trade and other receivables	1,370,241	1,016,515	699,024
Cash and cash equivalents	6,385	67,418	4,322
Total Assets	1,376,626	1,083,933	703,346
Equity and Liabilities			
Equity			
Share Capital	99,468,435	99,468,435	99,468,435
Accumulated loss	(134,886,183)	(131,724,951)	(127,906,135)
Equity attributable to owners of the parent	(35,417,748)	(32,256,516)	(28,437,700)
Non-controlling interest	(1,161)	(1,161)	(1,361)
Total equity	(35,418,909)	(32,257,677)	(28,439,061)
Liabilities			
Non-Current Liabilities			
Other financial liabilities	35,903,434	32,811,272	25,418,527
Current Liabilities			
Trade and other payables	892,101	530,338	3,723,574
Bank overdraft	-	-	306
Total Liabilities	36,795,535	33,341,610	29,142,407
Total Equity and Liabilities	1,376,626	1,083,933	703,346

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS
ENDED 31 AUGUST 2023**

	Unaudited 6 months ended 31 Aug 2023	Audited year ended 28 Feb 2023	Unaudited 6 months ended 31 Aug 2022
Operating expenses	(3,161,232)	(6,169,257)	(2,418,103)
Operating loss	(3,161,232)	(6,169,257)	(2,418,103)
Finance costs	-	(67,662)	-
Loss before taxation	(3,161,232)	(6,236,919)	(2,418,103)
Taxation	-	-	-
Loss for the year from continuing operations	(3,161,232)	(6,236,919)	(2,418,103)
Loss for the period attributable to:			
Owners of the parent	(3,161,232)	(6,236,919)	(2,418,103)
Non-controlling interest	-	-	-
Loss for the period	(3,161,232)	(6,236,919)	(2,418,103)
Headline loss reconciliation - continuing operations			
Net loss for the year	(3,161,232)	(6,236,919)	(2,418,103)
Headline loss	(3,161,232)	(6,236,919)	(2,418,103)
Weighted average number of shares	4,351,134	4,351,134	4,351,134
Fully diluted WA number of shares	4,351,134	4,351,134	4,351,134
Loss per share (cents)	(72.65)	(143.34)	(55.57)
Diluted loss per share (cents)	(72.65)	(143.34)	(55.57)
Headline loss per share (cents)	(72.65)	(143.34)	(55.57)
Diluted headline loss per share (cents)	(72.65)	(143.34)	(55.57)

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2023

	Share Capital	Accumulated loss	Total	Non-controlling interest	Total Equity
Balance at 28 February 2021	99,468,435	(119,320,293)	(19,851,858)	(12,969)	(19,864,827)
Comprehensive loss for the period		(1,579,489)	(1,579,489)		(1,579,489)
Balance at 31 August 2021	99,468,435	(120,899,782)	(21,431,347)	(12,969)	(21,444,316)
Adjustment to non-controlling interest on disposal of subsidiaries				11,808	11,808
Comprehensive loss for the period		(4,588,250)	(4,588,250)		(4,588,250)
Balance at 28 February 2022	99,468,435	(125,488,032)	(26,019,597)	(1,161)	(26,020,758)
Adjustment to non-controlling interest on disposal of subsidiaries				(200)	(200)
Comprehensive loss for the period		(2,418,103)	(2,418,103)		(2,418,103)
Balance at 31 August 2022	99,468,435	(127,906,135)	(28,437,700)	(1,361)	(28,439,061)
Adjustment to non-controlling interest on disposal of subsidiaries				200	200
Comprehensive loss for the period		(3,818,816)	(3,818,816)		(3,818,816)
Balance at 28 February 2023	99,468,435	(131,724,951)	(32,256,516)	(1,161)	(32,257,677)
Comprehensive loss for the period		(3,161,232)	(3,161,232)		(3,161,232)
Balance at 31 August 2023	99,468,435	(134,886,183)	(35,417,748)	(1,161)	(35,418,909)

**CONDENSED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS
ENDED 31 AUGUST 2023**

	Unaudited 6 months ended 31 Aug 2023	Audited year ended 28 Feb 2023	Unaudited 6 months ended 31 Aug 2022
Cash flows from operating activities			
Cash utilised in operations	(3,153,195)	80,908	(2,477,074)
Finance costs paid	-	(67,662)	-
Net cash from operating activities	(3,153,195)	13,246	(2,477,074)
Cash flows from investing activities			
Acquisition of associates	-	-	-
Net cash from investing activities	-	-	-
Cash flows from financing activities			
Repayments of financial liabilities	-	(400,000)	-
Proceeds from financial liabilities	3,092,162	450,000	2,476,918
Net cash from financing activities	3,092,162	50,000	2,476,918
Total cash movement for the year	(61,033)	63,246	(156)
Cash at the beginning of the year	67,418	4,172	4,172
Cash at the end of the year	6,385	67,418	4,016

OPERATIONS, MARKETS AND FINANCIAL PERFORMANCE

Financial performance

The Group is still in the exploration phase and is investigating various acquisitions and therefore does not generate cash from its activities.

The Company's expenses mainly consist of management fees and general costs related to a listed entity. Management continue to monitor the cash flow situation on an ongoing basis.

As is common with many junior exploration and mining companies, the Group raises capital for exploration and other projects as and when required.

TRANSACTIONS

There were no transactions during the reporting period. However, on 1 September 2023 the company announced that it had entered into an agreement with PBNJ Trading and Consulting (Pty) Ltd ("PBNJ") (the controlling shareholder) to loan the company R17m ahead of the pending rights issue. PBNJ has undertaken to follow its rights for R31,2m and has underwritten the rights issue for a further R16,3m.

The company also announced that it had entered into an agreement with IPace (Pty) Ltd ("IPace") for the establishment of an unincorporated joint venture to conduct the business of commissioning, operating and maintaining of a Dense Medium Separation ("DMS") plant to produce DMS grade magnetite for sale into the coal industry.

IPace is a joint venture between Ironveld Mining (Pty) Ltd, a subsidiary of Ironveld Plc (listed on the AIM market in London) and Pace SA (Pty) Limited. The plant will be based on Ironveld Mining's Lapon mining right and will utilise ore from the mining operations to supply the plant. IPace is the operating partner and will be responsible to erect, operate and maintain the plant and the marketing of the product. It is estimated that at full production the plant could produce approximately 10 000 tonnes per month of DMS grade magnetite.

The beneficiation plant will be owned by Lapon Plant, a wholly owned subsidiary of Sable Platinum Holdings (Pty) Ltd ("SPH"), and the UJV will lease the plant from Lapon Plant. The estimated capital cost of the beneficiation plant is R15 million and SPH will provide the funding to Lapon Plant. Once the funding plus interest has been recovered by SPH it will transfer 50% of Lapon Plant to IPace.

This is an exciting opportunity for SEAM to invest in a cashflow generating business. SPH and IPace have agreed that an investment in a larger plant will be considered once the proposed plant has reached its full capacity.

It is anticipated that the next six months will see profits from the joint venture flowing to the company and repayment of the capital investment commencing.

The CEO, Mr James Allan, and the Financial Director, Mr Ulrich Bester continue to review numerous business opportunities for the Group.

RIGHTS OFFER

Shareholders are referred to the various SENS announcements regarding a proposed rights offer by the Company. Shareholders are advised that the SEAM board of directors approved a fully underwritten rights offer of 52 213 608 ordinary shares, in the ratio of 12 new ordinary shares for each existing ordinary share, at a price of R 1 per share. The Company aims to raise R52,2 million before any costs.

James Allan, the CEO of the Company has committed to the following:

- underwritten 1 026 541 shares via a company in which he is a director and shareholder which amounts to R1.03million representing 1,81% of the rights issue;
- agreed to follow his rights in his personal capacity for 3 669 204 shares which amounts to R3.67 million representing 7.03% of the rights issue.

Ulrich Bester, the Financial Director of the Company has committed to the following:

- underwritten 16 263 299 shares via a company in which he is a director and shareholder which amounts to R16.26 million representing 31,15% of the approved rights issue;
- agreed to follow his rights via a company in which he is a director and shareholder for 31 254 564 shares which amounts to R31.25 million representing 59,85% of the approved rights issue.

It should be noted that the two directors have undertaken to follow their rights and underwrite the rights issue such that 100% of the rights issue will be taken up in the event that other shareholders do not follow their rights.

It should also be noted that shareholders have the first right to subscribe for shares at R1 each and the underwriting can only be exercised if shareholders do not take up the shares being offered in the rights issue.

SEGMENT REPORTING

Whilst the Company retains application for various vanadium and iron ore prospecting rights, during the period the Group currently operated in one segment relating to the expenditure on acquisitions in the mining sector.

BASIS OF PREPARATION

The Groups financial results for the 6 months ended 31 August 2023 constitute a summary prepared in accordance with the JSE Listings Requirements, the South African Companies Act, 2008 as amended (the Companies Act), and the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and the presentation and disclosure requirements of IAS 34 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee or its successor of the Group's audited financial statements.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements comply with IFRS and are consistent with those used in the annual financial statements for the year ended 28 February 2023.

The interim financial statements have been prepared by Deon Botha CA (SA).

GOING CONCERN

The interim results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments, will occur in the ordinary course of business.

The Group incurred a loss for the 6-month period ended 31 August 2023 and, as of that date, the Group's total liabilities exceeded its total assets. The Group has the right to defer a payment of non-current liabilities of 23,184,629 until such time as the Group is able to repay the loans from available cash resources.

These events or conditions indicate that a material uncertainty continues to exist that may cast significant doubt on the Group's ability to continue as a going concern.

The directors continue to source financial resources for the Group to continue as a going concern

despite the historical losses incurred. The ability of the Group to be a going concern is dependent on the success of the rights issue and the IPace transaction detailed above.

By order of the board

Sandton

29 September 2023

Executive directors: James Allan (Chief Executive Officer), Ulrich Bester (Financial Director)

Independent non-executive directors: Mr. Ian Bird, Ms. Hazel Bango-Moyo, Ms. Nyameka Madikizela

Registration number: 2001/006539/06

Registered address: Tsebo Office Park, 85 Protea Road, Chislehurst, 2196

Business postal address: PO Box 411130, Craighall, 2024

Company secretary: Claire Middlemiss

Transfer secretaries: CTSE Registry Services (Pty) Ltd

Sponsor: Exchange Sponsors (2008) (Pty) Ltd