

Sable Resources Ltd
355 Montroyal Blvd.
North Vancouver, BC, V7N 4G3
604-986-8566

Nov 20, 2014

Diane Howe
Deputy Chief Inspector, Reclamation and Permitting
Ministry of Energy and Mines

Dear Diane:

Re: Submission of Tailings Dams – Independent Review of Dam Safety and Consequence Classification

Sable Resources Ltd (“Sable”, “the Company”) will not be able to fulfill the orders of the Chief Inspector presented in the *Notification of Chief Inspector’s Orders* letter dated August 18th, 2014 by the required date of December 1st, 2014 with respect to the Baker Mill Tailings Storage Facility. Sable has come under economic hardship during the past 24 months, and is currently unable to fund the required works. Steps have been taken by the Company to rectify this financing shortfall, but have not yet been successful in raising sufficient funds. In August, Sable came to an agreement with outstanding convertible debentureholders, to convert their debentures into equity, with the intended consequence of allowing Sable to raise additional funds from the capital markets to fund ongoing activities. As you may be aware, poor commodity prices and weak capital markets for resource companies, along with increased uncertainty in the mining sector of British Columbia resulting from the Mount Polley incident have been contributing factors. While Sable has been successful in this corporate restructuring effort, no subsequent financing has taken place.

No discharge to the Baker Mill TSF or work on the property has been performed since September 2012, and has an outstanding cease-and-desist order from George Warnock P.Eng, of the Ministry of Energy, Mines and Natural Gas dated Mar 1, 2013. Sable’s most recent annual dam safety inspection was completed in September 2012 by Scott Martin, P.Eng, of EBA. A draft Dam Safety Review was prepared by the independent third party of Erik Ketilson P.Eng, and Leon Botham P.Eng, of Mcelhanney in February 2013, where a number of deficiencies were noted and a *Dam Failure Consequence Classification* of Significant was attributed to the facility. George Warnock P.Eng, completed a site visit in June, 2014 and noted that adequate freeboard was present, and that the ‘risk of an overtopping event occurring while the mine is closed appears to be low.’

It is Sable’s ongoing intent to recapitalize the Company and add management capable of operating and/or maintaining the facility to the Chief Inspector’s standards. A variance is hereby requested to extend the date of the orders contained in the *Notification of Chief Inspector’s Orders* dated Aug 18, 2014 from December 1, 2014, to August 31, 2015.

The Ministry’s understanding and cooperation in this matter is appreciated.

Regards,

Mel Rahal
President, Sable Resources Ltd

Cc: Al Hoffman; George Warnock