

ASX ANNOUNCEMENT

30 January 2015



QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 DECEMBER 2014

- **The first phase of the geochemical RC drilling is approximately 70% complete.**
- **12 targets being tested for subsurface copper mineralisation**
 - ▶ **Visible copper mineralisation at several targets**
 - ▶ **Phase 1 drilling completed at 9 copper targets**
 - ▶ **Work underway on 2 targets, with clearances required for access.**
- **2 targets tested for subsurface zinc-lead mineralisation**
 - ▶ **Visible zinc and lead mineralisation at Toggenburg**
 - ▶ **2,000 m long strong coherent anomaly at Toggenburg**
 - ▶ **Anomalism extends beyond program's extent, to be extended on harvesting of crops to the east.**

During the final quarter of 2014, the geochemical reverse circulation (RC) drilling program targeted undercover copper and zinc-lead mineralisation throughout the Otavi Mountain Land. This drilling is part of a new region-wide 10,000 m reverse circulation (RC) drill program aimed at defining previously undiscovered deposits in soil covered target areas of the Otavi Mountain Land.

1 BEDROCK GEOCHEMICAL RC DRILLING PROGRAM

The first phase of the 10,000 m regional-scale geochemical RC drilling program in the Otavi Mountain Land, is approximately 70% complete. This first phase comprises systematic shallow RC drilling of target areas to intercept bedrock, sampling both bedrock and regolith profiles for anomalism and mineralisation.

1.1 Copper drilling

Exploration for subsurface copper continued along the Kombat Trend in EL3540, from west of Kombat to east of Guchab. Of the 12 targets defined, exploration is completed at 9, with work currently underway on 2 more. Visible copper mineralisation has been recorded at several localities, including that reported at Guchab South. More extensive are the geochemical anomalies which are presently being defined as the data is analysed.

Table 1 – Summary table for the RC geochemical drill program

<i>Total metreage</i>	10,000m
<i>Number of drill holes</i>	Approximately 500 shallow geochemical drillholes and around 50 deeper drillholes
<i>Copper targets</i>	12 – including Guchab South and Schlangenflach. Others at Guchab Mining Centre, near Kombat, and between.
<i>Zinc-lead targets</i>	2 – Toggenburg and East Border
<i>Timing</i>	Commenced, expected to take around 6 months to complete
<i>Cost</i>	A\$550,000

Several of the copper targets selected for testing are not yet accessible. Two high-ranking targets near to Kombat require additional environmental clearance and community and stakeholder consultation. One of these targets is also partly inaccessible because it is located beneath crops. Negotiations are underway to secure access once the crops are harvested. It is likely that access to these sites will be available in the second quarter of 2015.

The Company will announce preliminary findings of the copper exploration program and our intentions for follow-up drilling in due course.

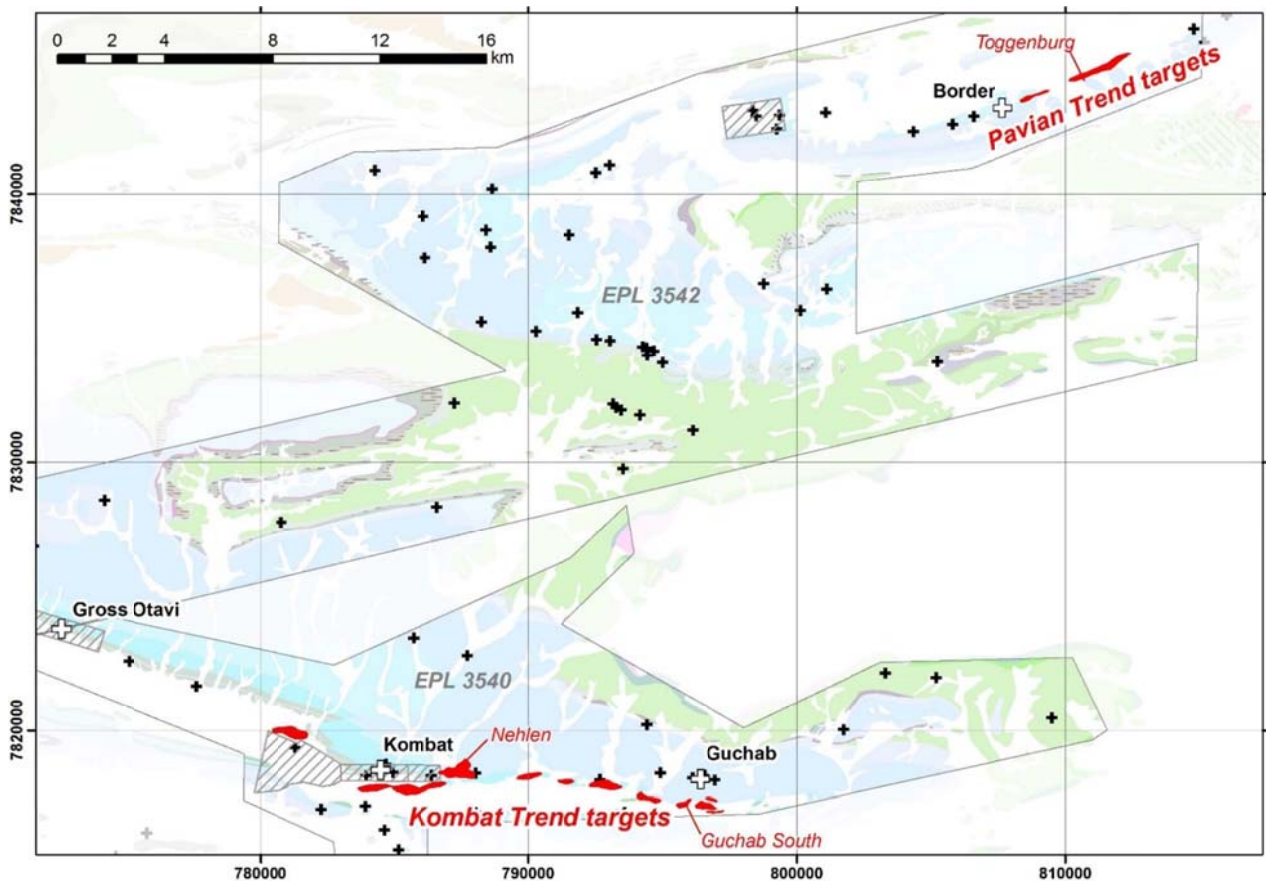


Figure 1 – Targets (red) for the first phase of the regional geochemical RC drilling program are all located beneath surface cover. All targets on the Kombat Trend are copper targets and both targets on the Pavian Trend are zinc-lead targets. Known outcropping prospects, occurrences, deposits and mines are shown as black crosses.

1.2 Zinc-lead drilling

Subsurface zinc-lead mineralisation is presently being explored on the Pavian Trend, east of Border. The Toggenburg and East Border targets are both located on the highly prospective Toggenburg Plains which, apart from drilling at Border, have never previously been explored.

Visible sphalerite and galena mineralisation were reported at the Toggenburg target. Data is still being analysed but coherent anomalies at least 2,000 metres strike length are present. The Toggenburg target is open to the east, but crops over that area preclude drilling until harvest later in 2015.

The Company will announce preliminary findings of the zinc-lead exploration program and its intentions for follow-up drilling in due course.

1.3 Forthcoming drilling for 2015

Data is currently being collected and analysed from the drilling program. Second phase deeper drilling will be required at a number of targets in order to determine the subsurface distributions of mineralisation, with Guchab South and Toggenburg requiring follow-up. A total of 5,000 m of RC drilling for around 50 deeper drillholes is allotted for this second phase of drilling. This is scheduled to commence in March/April 2015, with the actual start date subject to ground and weather conditions as well as access.

Encouraging results at several targets are likely to require extension of the first phase of drilling, most probably at Toggenburg and in the Guchab area.

2 REGIONAL SOILS PROGRAMS

The Sinkhole-Harasib soil sampling program was completed during the quarter. The data is presently being analysed and incorporated into the Company's regional dataset. It will be used to assist regional target generation.

In December, a new soil sampling program comprising over 1600 samples was commenced to the south of the Toggenburg area. Presently the program is around 30% complete.

3 CHRISTMAS/NEW YEAR SHUTDOWN AND WET SEASON

Sabre's Perth and Namibian offices shut down over the Christmas and New Year period. Wet season rains, though relatively quiet over the shutdown period, are continuing. These rains hinder access to the remaining target areas. Drilling is expected to recommence in the first quarter of 2015 with the ending of the rains.

For further information please contact:

Dr Matthew Painter, General Manager – Exploration
Paul Mazzoni, Technical Director
Phone (08) 9481 7833

Or consult our website:

<http://www.sabresources.com/>

Competent Person Declaration

The information in this report that relates to Exploration Results is based on information compiled by Dr Matthew Painter, a full-time employee of Sabre Resources Ltd, who is a member of The Australian Institute of Geoscientists. Dr Painter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Dr Painter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Sabre Resources Ltd's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Sabre Resources Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

APPENDIX – LICENCE SCHEDULE.

Country	State/Region	Project	Tenement ID	Area (km ²)	Grant date	Interest
Namibia	Otjozondjupa	Otavi Mountain Land base metals	EPL3540	213.2	30/10/2006	80%
			EPL3542	475.5	30/10/2006	70%