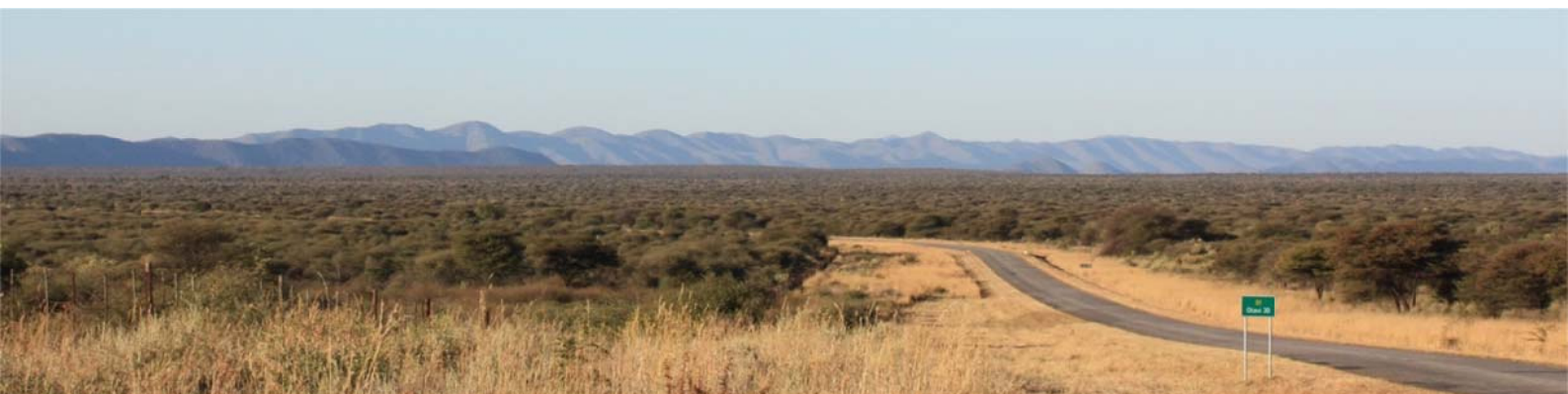


# QUARTERLY ACTIVITIES REPORT

## FOR THE QUARTER ENDED 31 DECEMBER 2016



**Figure 1** View of the Otavi Mountain Land, approaching from the southwest on the highway from Windhoek

- **Preparation for forthcoming mining licence applications continued during the quarter**
- **Detailed interrogation and interpretation of historical datasets, together with geological mapping and sampling continued during the quarter**

### ZINC-LEAD-SILVER PROJECTS

The significant upward trend in the zinc price continued over the last quarters supporting the ongoing review of the zinc and lead opportunities within the Otavi Mountain Land project. A summary of these opportunities follows:

#### Border

Sabre's Border Zn-Pb project has a **JORC 2012 Inferred Resource of 16.0Mt @ 1.53% Zn, 0.59% Pb and 4.76g/t Ag** is located within a 25km significant regional zinc-lead anomalous corridor (Figure 2), which hosts a number known occurrences including Border, Toggenburg and South Ridge to the East, and Harasib to the west (Figure 5).

Metallurgical sighter testwork on a bulk sample conducted for that study shows that the mineralisation responds very favourably to Heavy Media Separation ('HMS'). Border mineralisation upgrades with HMS, before grinding and flotation, to a product of 12.5% Zn + 6.3% Pb with recoveries of 86% and 92.5% respectively.

## Toggenburg

Toggenburg is located along strike from Border, and is interpreted to be controlled by the same structures (Figure 2).

Anomalies defined at Toggenburg measure over 2.8 km long and up to 250 m wide and are open to the east and west. The anomalies have an area more than four times the size of the equivalent anomaly at Border, where a 0.1 % Zn+Pb cutoff in the near-surface approximates the footprint of zinc and lead sulphide mineralisation at depth.

Maximum combined zinc and lead values identified in shallow geochemical drilling at Toggenburg are in excess of 2.9%. Four targets have been selected for reverse circulation drilling. It is expected that, like the Border Zn-Pb deposit to the west, mineralisation will dip to the north-northwest, parallel to the host dolomite sequence.

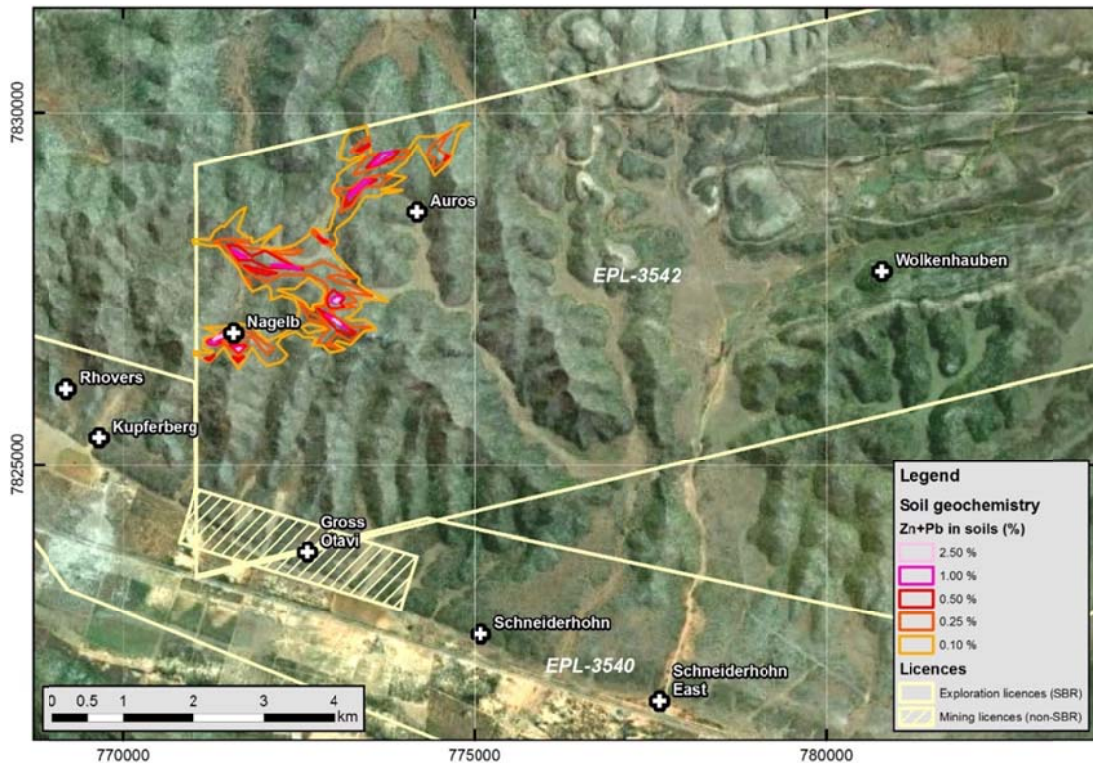


**Figure 2** – Sabre's Border and Toggenburg Zn-Pb projects are located along the Border-Toggenburg Corridor which hosts anomalous zinc and lead mineralisation over 25km.

## Auros

Sabre's regional soil sampling programs have identified significant zinc-lead anomalism in the Auros-Nageib-Wolkenhauben area (Figure 3) which is the possible western limit of a regional zinc-lead anomalous corridor extending east about 20km to Sabre's Driehoek prospect. Over 1087 samples were collected resulting in the definition of the Auros zinc-lead anomaly which covers over 300 hectares, measuring over 2.5 km by 5.0 km (Figure 3).





**Figure 3** – The Auros Zinc-Lead anomaly

The Auros anomaly has been defined using a 0.1% Zn+Pb cutoff (as at Toggenburg) and contains a peak value of 8.25 % Zn+Pb (6.30 % Zn and 1.95 % Pb – determined by portable XRF) near the historic Nageib workings. Numerous percentage-grade results were obtained in areas with no known historic mining activity. One such area, which recorded soil values up to 4.65 % Zn+Pb (3.20 % Zn and 1.45 % Pb), exhibits outcropping brecciate and disseminated sphalerite and galena mineralisation (Figure 4).

Detailed interpretation of high-resolution aeromagnetic data over the Auros area shows that bedding and its interaction with several important cross-cutting structures seem to control the distributions of intense zinc and lead anomalism throughout the area. Auros mineralisation appears to show similarities to zinc-lead mineralisation at Driehoek, which is located along strike around 20 km to the east. Auros however is much larger in extent than the Driehoek group of deposits, prospects, and occurrences.



**Figure 4** – Outcropping disseminated galena (dark grey) and sphalerite (brown-grey) mineralisation with secondary zinc oxides (brown) in the Auros area.

## Baltika

Baltika is located within and toward the west of Sabre's EPL 3540 and produced 5,820t of concentrate grading 9% vanadium pentoxide between 1931 and 1942. Vanadium mineralisation is associated with east-west trending zinc and lead - bearing structures proximal to the contact which hosts the Kombat and Guchab Cu-Zn-Pb mining centres to the east within the Kombat Corridor.

## FURTHER TARGETING FOR ZINC AND LEAD PROJECTS

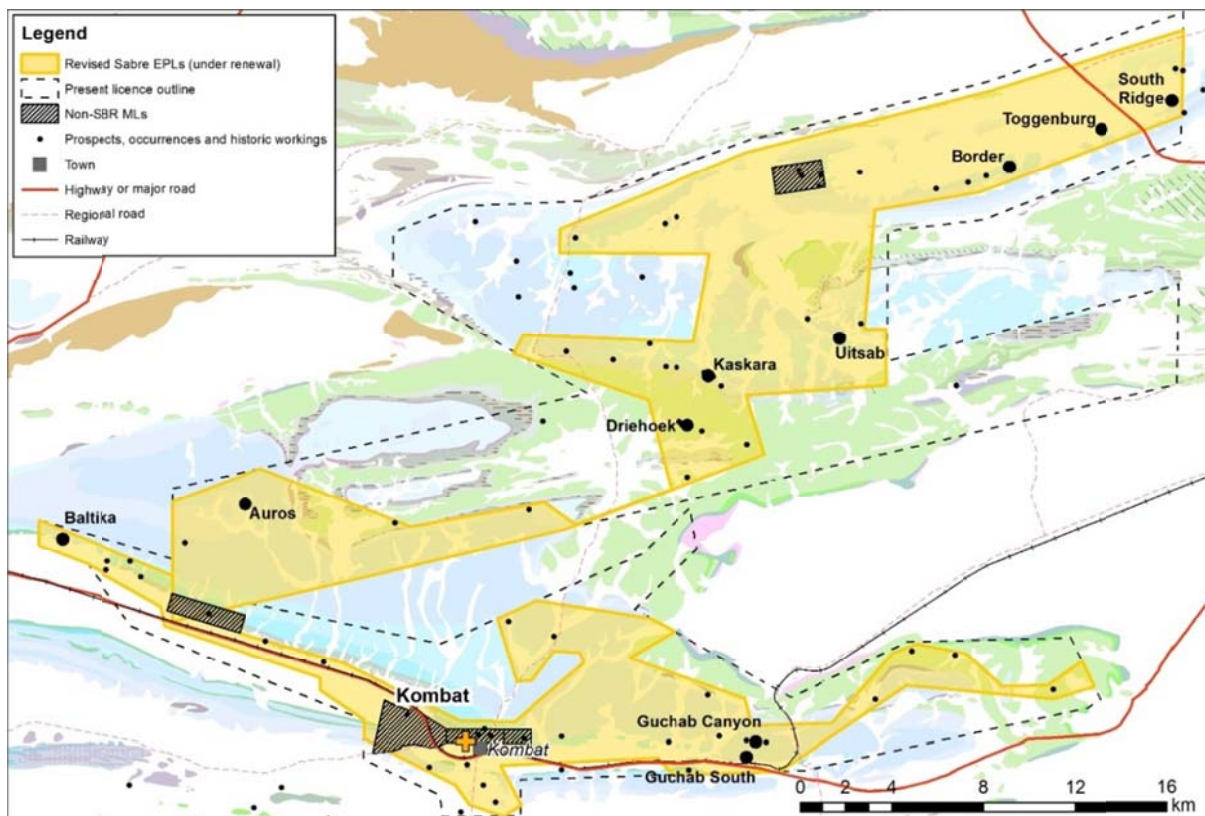
Detailed interrogation and interpretation of historical datasets continued during the quarter.

## COPPER PROJECTS

Proposed surveys at Guchab South remain on hold pending the EPL renewals.

## LICENCE RENEWALS

Renewal applications for both EPL-3540 and EPL-3542 were submitted in September 2015. The Company continues to await notification by the Ministry of Mining and Energy (MME) of their renewal. Meetings were held with the MME during the quarter to expedite the renewal process. The delay in licence renewals is common to all exploration companies in Namibia and is not limited to Sabre alone.



**Figure 5** – Proposed 50% reductions (yellow) to the Company's EPLs in the Otavi Mountain Land, as mandated by the Ministry of Mines and Energy. Note that all areas and prospects of interest have been retained. The present licence outlines (dashed lines) remain current until the renewals are granted.

## PREPARATION FOR MINING LICENCE APPLICATIONS

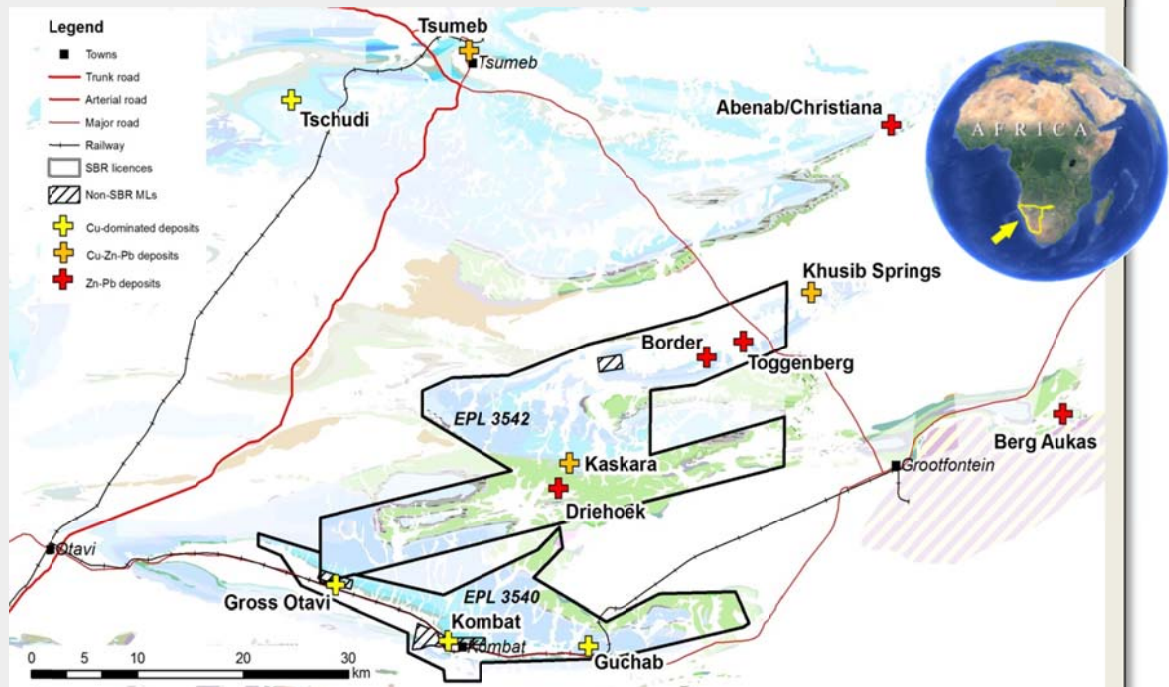
Sabre intends to submit applications for a number of Mining Licences within the forthcoming EPL renewal period (i.e. prior to end October, 2017). Several potential sites have been selected, namely Border, Guchab, Driehoek, Baltika and Kaskara. The application process requires submission of extensive documentation, including detailed geological maps, environmental reports, resource reports, and scoping studies.

During the quarter, further progress was made on documentation required for the mining licence applications.



## SABRE'S OTAVI MOUNTAIN LAND COPPER AND ZINC PROJECT

Sabre Resources Ltd (“**Sabre**” or “**the Company**”) is a Namibia-focused, Australia-based base-metals exploration company. Sabre holds a majority interest in a strategic land holding of about 700 km<sup>2</sup> of granted exploration licences in the Otavi Mountain Land (“OML”) in northern Namibia. The OML is interpreted to be an extension of the Central African Copperbelt, which comprises the Zambian and Katangan (DRC) Copperbelts and constitutes the world’s richest sediment-hosted copper province.



Sabre's Otavi Mountain Land copper and zinc project, in northern Namibia. Applications are subject to Ministerial approval.

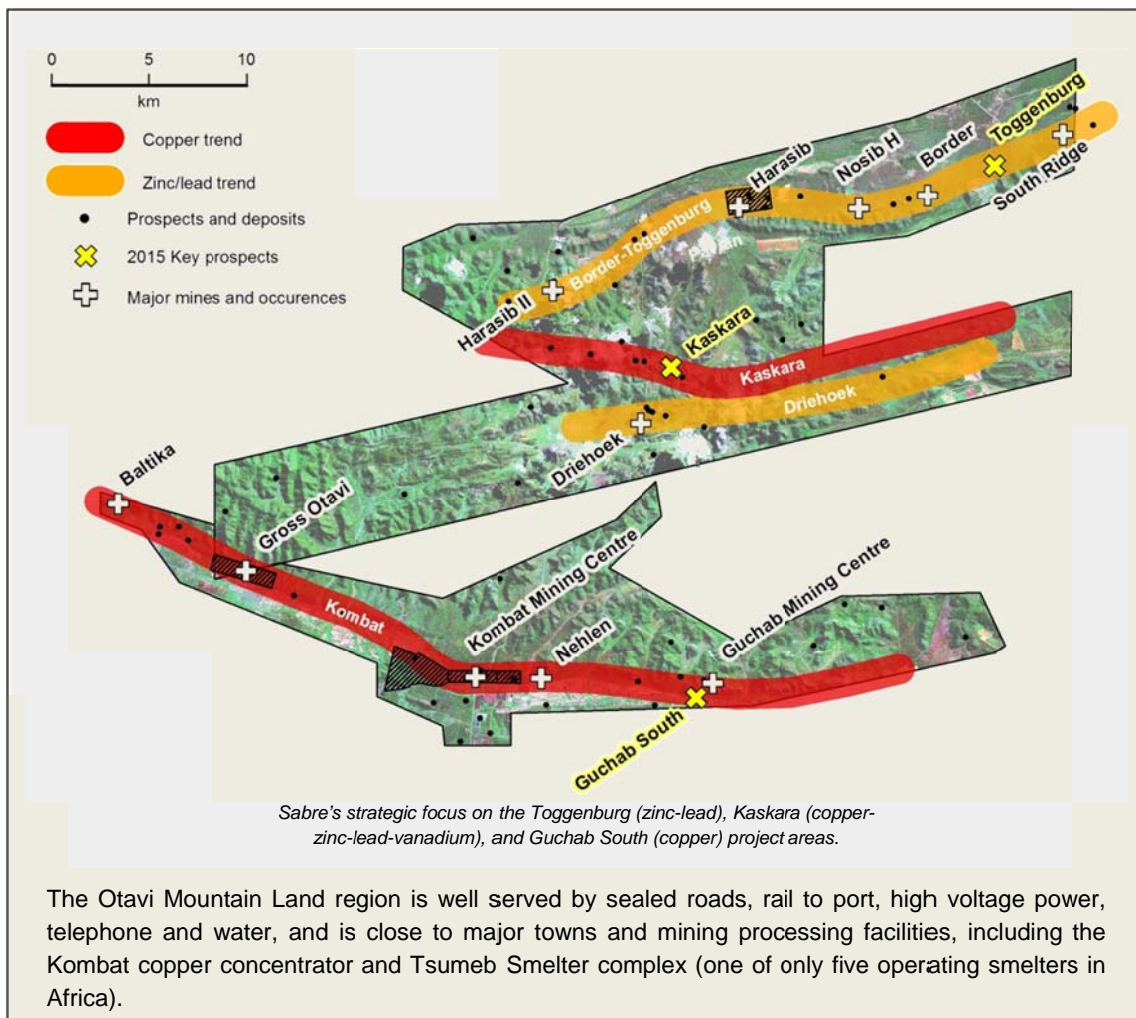
Sabre has defined copper mineralisation in two major trends with potential for Tsumeb, Kipushi and Kombat breccia-style massive sulphide pipes, and Tschudi –style stratiform mineralisation. Copper in geochemical drilling at Guchab South has identified visible chalcocite and malachite over a 600m by 200m zone along trend east of the Kombat Copper Mine.

Sabre has also defined two major trends with stratabound zinc-lead sulphide mineralisation. As well as containing the Border zinc-lead deposit (16.0 Mt @ 1.53 % Zn, 0.59 % Pb and 4.76 g/t Ag), recent work has uncovered significant Zn-Pb geochemical anomalies at Toggenburg with up to 2.90 % Zn+Pb over 2.8 km strike length defined to date.

Strategically the Company is focusing on high-value deposit styles:

- High grade, copper-rich Tsumeb- and Kipushi-type deposits. Kombat-style epigenetic copper mineralisation is considered to be a subset of this type.
  - Tsumeb (OML) – 24.9 Mt @ 5.5 % Cu, 11.5 % Pb, 4.0 % Zn & 172 g/t Ag, and
  - Kipushi (DRC) – historical production 60 Mt @ 10 % Cu and 11.03 % Zn and historical resources of 26 Mt @ 2.18 % Cu and 19.05 % Zn.
- Stratabound epigenetic zinc-lead deposits with favourable metallurgical characteristics.

There is also a secondary focus throughout the region on Copperbelt-style stratiform Copper deposits (e.g. Tschudi in the OML). Exploration is mainly in the extensive areas of cover or poor outcrop which previous explorers largely ignored.



**For further information please contact:**

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 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 David Chapman who is a Director of Sabre Resources Ltd, and who is a Member of The Australian Institute of Mining and Metallurgy. Mr Chapman 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". Mr Chapman 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 programme 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 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 <sup>2</sup> )	Grant date	Interest
Namibia	Otjozondjupa	Otavi Mountain Land base metals	EPL3540	213.2	30/10/2006	80%
			EPL3542	475.5	30/10/2006	70%

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