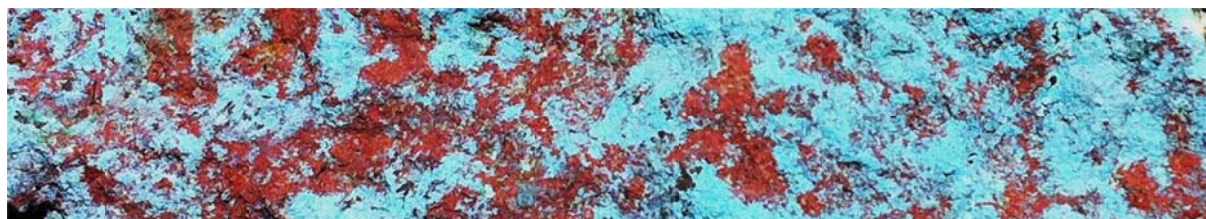


QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 30 JUNE 2012



'Shattuckite' (copper carbonate) mineralisation from Guchab, Kombat Copper Trend.

HIGHLIGHTS

Sabre has acquired a second strategic tenement (EPL 3540) in the Otavi Mountain Land in northern Namibia and has identified four significant mineralised Base Metal Trends within the project area – namely ***the Pavian, Lucas Post, the Hoek and Kombat Trends***. Exploration is focused on moving towards development on key prospect areas:

Kombat Trend (Cu-Ag)

- Acquisition of the Otavi Valley license (EPL 3540), hosting the >40km long Kombat Copper Trend.
- Underground sampling at the Guchab mining centre (Rodgerberg) at the eastern end of the Kombat Copper Trend has returned a number of high grade results, including:

RUUG 0005 13 metres @ 5.32% Copper & 192 gpt Silver

Pavian Trend (Zn-Pb-Ag)

- Preliminary drill testing of the South Ridge Zn-Pb-Ag prospect, at the eastern end of the Pavian Trend, has been completed, with results including:

SRRC0013 7 metres @ 3.11% Zn+Pb & 3.5 gpt Silver from 35 metres

Hoek Trend (Zn-Pb-Ag)

- Resource drilling of the Driehoek central zone has been completed, with results including:

DKDD 0005 18 metres @ 6.24% Zn+Pb & 8.75 gpt Silver from 0 metres

Explore

Extend

Extract

Introduction

Sabre's focus is the exploration and development of the Otavi Mountain Land (OML) copper and base metal project in northern Namibia. Work during the quarter focused on sampling and drill preparation at Guchab and drilling at both South Ridge and Driehoek.

The OML has a long mining history dating back to the late 1800s and consequently has excellent infrastructure, including roads, power, water, rail to port and is home to the Tsumeb base metal smelter complex. The province, historically a globally important source of copper, lead, zinc and vanadium, is presently undergoing a renaissance due to exploration by Sabre and others in the region.

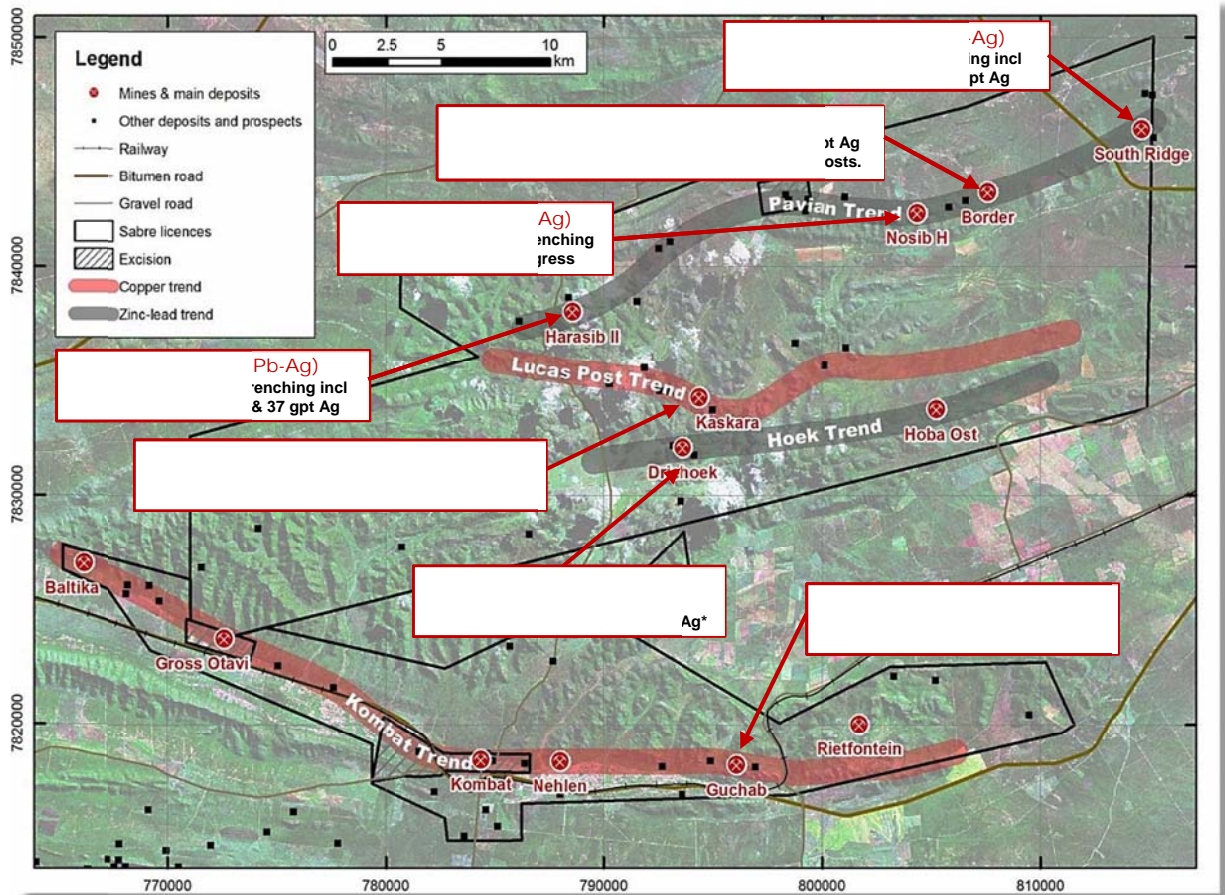


Figure 1 – Sabre has identified four significant base metal trends within its Ongava project area; the Pavian, Lucas Post, Hoek & Kombat Trends, each hosting significant copper and other base metal mineralisation.

* The potential quantity and grade of the Driehoek zinc-lead deposit is conceptual in nature, as Sabre has determined that insufficient work has been undertaken to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource. The "exploration target" size was based upon deposit calculations undertaken by Goldfields Namibia Ltd.

Sabre acquired a second tenement area, adjacent to the Ongava tenement (EPL 3542) during the quarter. This southern tenement area, the Otavi Valley (EPL 3540), includes the Kombat copper trend and brings the Company's tenement holding in the Otavi Mountain Land to over 800 km².

Sabre's development programme will focus on the two copper rich trends identified by the company within the Otavi Mountain Land project area (see Figure 1). These trends include:

- the Lucas Post Copper Trend; and
- the Kombat Copper Trend.

These two copper trends each cover more than 25 kilometres of recognised strike and host significant copper mineralisation, ranging from geochemical anomalies to resource delineation. In addition Sabre is presently building its resource inventory of the Zn-Pb-Ag rich Pavian Trend in the north of the project area.

Drilling has been undertaken, or has recently commenced, at a number of prospects including the **Guchab** copper mining centre, the **South Ridge** zinc-lead-silver prospect, and the **Driehoek** zinc-lead-silver deposits.

1. KOMBAT COPPER TREND (Cu-Ag)

Sabre's programme now includes the Kombat Copper Trend following its acquisition at the end of the quarter. In particular, exploration will focus on the **Guchab** mining centre. The Kombat Trend is a regional scale fault structure more than **50 kilometres long**, which hosts a number of historic mine workings and prospects, including the now closed Kombat Copper Mine* (8.7 Million tonnes @ 3.1% Copper & 26 gpt Silver produced.)

**The Kombat Copper Mine and Concentrator are not Sabre assets and are held by TSX.V listed Kombat Copper.*

1.1 The Guchab Mining Centre

The Guchab mining centre is a historic series of copper mines to the east of Kombat. Metamorphic **copper** mineralisation has formed vein and breccia style deposits throughout the centre. Major copper minerals at surface include malachite, chalcocite, and diopside within the **copper gossans that extend over more than 4 km of strike**. Copper-rich and silver-rich stratigraphy highlights extensive and very intense copper-in-soil geochemical anomalies (extremely high with values in soils commonly exceeding 10,000 ppm or 1% Cu).

The Guchab mining area is centred on the Guchab deposit. High-grade zones are surrounded by more moderate grade vein networks outcropping over several areas, with the main zone measuring approximately 1,000 x 150 m. Channel sampling of the historic workings at the Guchab deposit has returned some very high-grade intercepts, including:

GCTR 001	17m @	5.86% Cu & 29 gpt Ag
GCTR 002	16m @	10.16% Cu & 64 gpt Ag
GCTR 021	14m @	6.40% Cu & 62 gpt Ag
GCTR 023	25m @	6.70% Cu & 59 gpt Ag
GCTR 026	22m @	5.83% Cu & 48 gpt Ag

As well as the Guchab deposit, the Guchab mining centre also comprises the Rodgerberg deposit and the Schlangental prospect which are located along strike from the Guchab deposit;

Rodgerberg in particular was a substantial copper mine during the 1920s. A sampling programme was completed at Rodgerberg during the quarter and included:

RUUG 001	3m @ 10.88% Cu & 473 gpt Ag
RUUG 005	5m @ 6.96% Cu & 302 gpt Ag
RUUG 005	13m @ 5.32% Cu & 192 gpt Ag

Targets have been identified for an initial pilot drilling programme that will assist in defining the style of the mineralisation at Guchab and the preferred orientations of the controlling structures. Diamond drilling has commenced at the Guchab deposit and Sabre look forward to updating investors as results are received from the programme.

2. LUCAS POST COPPER TREND (Cu-Pb-Zn-V)

The Lucas Post Trend contains the Kaskara Cu-Pb-Zn-V prospect, a Tsumeb-style deposit that has all the hallmarks of a major deposit. During the quarter, extensive groundworks were undertaken in preparation for the upcoming RC drilling programme. The programme has two aims:

1. to define a resource in the near surface lead-vanadium-rich mineralisation
2. to intersect and characterise mineralisation at depth beneath the hill at Kaskara.

Drilling did not occur this quarter because the new drill rig intended for Kaskara experienced delays during its construction. Drilling is scheduled to commence in the coming quarter.

3. PAVIAN ZINC-LEAD TREND (Zn-Pb-Ag)

The Pavian Trend is a 'provincial-scale' structure covering more than **thirty kilometres** of strike within Sabre's project area. The trend hosts a number of recognised lead-zinc-silver prospects and deposits, including Sabre's JORC resource at **Border**:

16.2 Million Tonnes @ 2.12% Zn+Pb & 4.76 gpt Ag (at a 1.25% Zn+Pb cut-off)

A number of other prospects have been identified along the Trend including Irvington, Toggenberg, Nosib H and South Ridge. These prospects all show similar outcropping sulphide mineralisation and geochemical characteristics and will be **systematically tested** as a part of the ongoing drilling campaign to **build the resource inventory** for the Pavian Trend.

3.1 RC Drilling at South Ridge (Zn-Pb-Ag)

An initial programme of Reverse Circulation (RC) drilling has been completed at South Ridge, 6 km east of and along strike from the Border deposit. An initial programme of 17 holes has been completed at South Ridge, with better results including:

SRRC 013	21 metres @ 1.53% Zn+Pb & 2.12 gpt Ag	from 31 metres
Including	7 metres @ 3.11% Zn+Pb & 3.50 gpt Ag	from 35 metres
SRRC 016	23 metres @ 1.07% Zn+Pb & 1.00 gpt Ag	from 76 metres

This programme was designed to confirm key attributes of the zinc-lead-silver mineralisation at South Ridge, in particular its orientation and mineralogy, in preparation for a potentially more extensive drilling programme later in the year for the estimation of a JORC resource.

Resource drilling will be extended to other prospects along the Pavian Trend, such as Nosib H & Irvington, as results are received from additional surface sampling programmes.

4. HOEK ZINC-LEAD TREND (Zn-Pb-Ag)

The Hoek Trend covers over 20 kilometres of strike in the southern Ongava tenement area (EPL 3542), from the Driehoek deposits in the west through to Hoba Ost in the east. Exploration is still at an early stage on this trend, however previous workings have already outlined an exploration target at Driehoek:

5–7 Million Tonnes @ 3-5% Zn+Pb & 8-16 gpt Ag*

** The potential quantity and grade of the Driehoek zinc-lead deposit is conceptual in nature, as Sabre has determined that insufficient work has been undertaken to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource. The "exploration target" size was based upon deposit calculations undertaken by Goldfields Namibia Ltd.*

4.1 Drilling at Driehoek (Zn-Pb-Ag)

Resource drilling commenced at **Driehoek Central** in May, with the aim of validating the existing data for the deposit and allowing the estimation of a JORC resource. A man-portable diamond drilling rig was used to undertake an initial programme of 7 drill holes. Results included:

DKDD 0003	21 metres @ 3.39% Zn+Pb & 3.40 gpt Ag	from 0 metres
Including	4 metres @ 4.99% Zn+Pb & 3.75 gpt Ag	from 11 metres
DKDD 0004	10 metres @ 4.01% Zn+Pb & 0.80 gpt Ag	from 14 metres
DKDD 0005	18 metres @ 6.24% Zn+Pb & 8.80 gpt Ag	from 0 metres
Including	14 metres @ 7.29% Zn+Pb & 11.10 gpt Ag	from 11 metres

Drilling at Driehoek East and Central is now sufficient to allow the estimation of resources in both locations; this will be undertaken in the coming weeks. Resource drilling will be undertaken at Driehoek North later in the year, subject to rig availability.

Sabre Resources looks forward to updating shareholders as the exploration programme in the Otavi Mountain Land continues, in particular as the results of the diamond drilling programme at Guchab are received and RC drilling programme commences at Kaskara, on the Lucas Post Trend.

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Or consult our website:

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

Competent Persons Declarations

The information in this report that relates to Exploration Results is based on information compiled by Dr Matthew Painter 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 2004 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 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 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.