

ASX ANNOUNCEMENT

31 January 2018



QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 DECEMBER 2017

HIGHLIGHTS

- **Sabre Resources acquired a 70% interest in the Sherlock Bay Nickel-Copper-Cobalt and Gold Project in the Pilbara, WA**
 - Project comprises two exploration licenses and a mining lease covering an area of approximately 189 km² in the western Pilbara region of Western Australia
 - Exploration potential for conglomerate-hosted gold mineralisation untested on strategically located ground surrounded by tenements held by Novo Resources Corp and adjacent to tenements held by Artemis Resources Ltd
 - Project includes the Sherlock Bay Ni-Cu-Co deposit
- **All tenements in Namibia have recently been renewed and with security of tenure the Company can proceed with its exploration programs.**
- **Project generation program underway to identify new mineral exploration and development opportunities.**

SHERLOCK BAY PROJECT

Sabre Resources Limited (SBR or the Company) executed a binding agreement to acquire a 70% interest in the Sherlock Bay Project located in the Pilbara region of Western Australia (refer to SBR announcement dated 29 January 2018). The Project is well-located, 12 km off Highway 1 with access to critical mining infrastructure. The Project tenements comprise two valid exploration licenses E47/1769 and E47/1770 and a mining lease M47/567 (Figure 1 and Appendix I).

Mining lease M47/567 contains the Sherlock Bay nickel-copper-cobalt deposit, which has an existing nickel resource (for full details, refer to SBR announcement dated 29 January 2018). The deposit also contains a potentially significant amount of copper and cobalt.

Extensive previous exploration and development work has been completed on the Sherlock Bay Project and Sabre has obtained access to all these data for the deposit. Feasibility-level studies that have been completed by previous owners indicate that potential exists to develop a mining and heap leach processing operation and that nickel recoveries exceeding 90% are achievable.

The Sherlock Bay Project also covers highly sought after ground that has potential for conglomerate-hosted gold mineralisation. The project area is almost totally surrounded by tenements held by Novo Resources Inc. on all sides (Figure 2). It sits strategically within the conglomerate-gold search area adjacent to and to the east of ground held by Artemis Resources Ltd and to the west of ground held by

De Grey Mining Ltd. No prior exploration for gold has been undertaken in the project area. The Company intends to immediately commence exploration for conglomerate-hosted gold mineralisation.

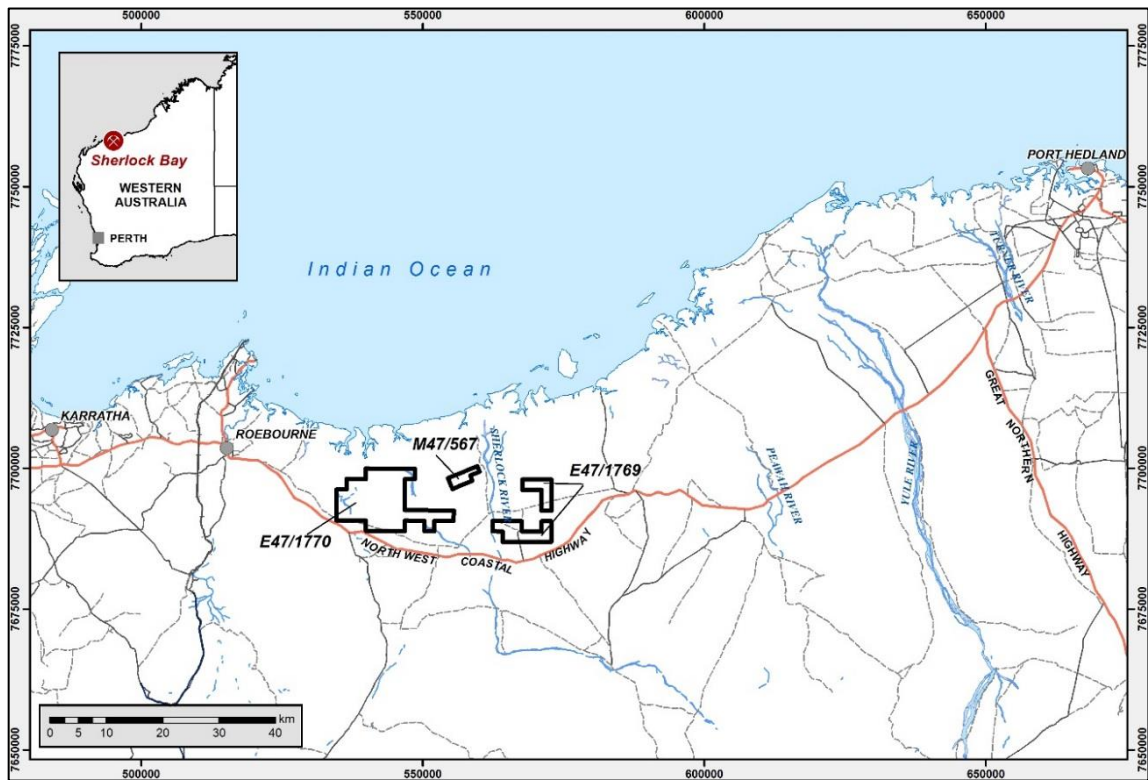


Figure 1: Location map of the Sherlock Bay Project in Western Australia

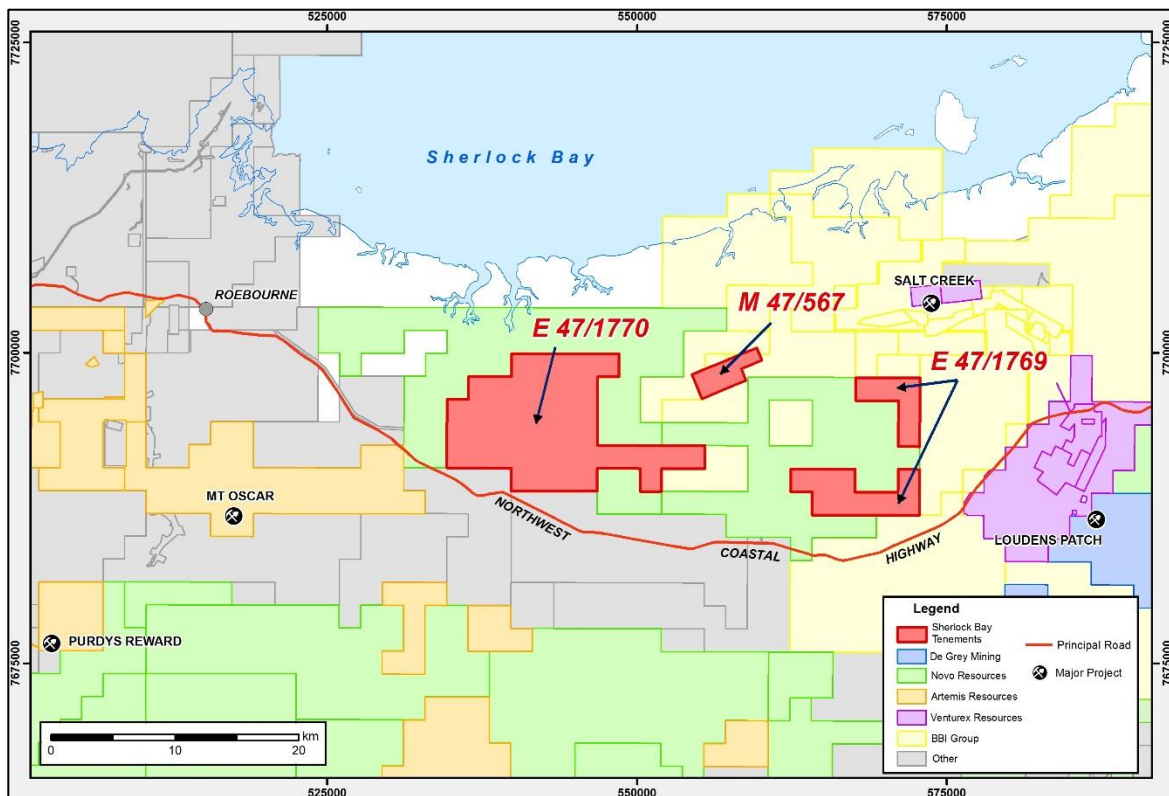


Figure 2: Current tenement status map for the Sherlock Bay Project and surrounding area, source: WA Department of Mines, Industry Regulation and Safety

OTAVI MOUNTAIN LAND PROJECT (“OML PROJECT”)

The Otavi Mountain Land is a highly prospective, underexplored area in northern Namibia which has potential for high-value Tsumeb-style copper and stratabound zinc-lead mineralisation.

Sabre’s exploration has continued the focus on extensive areas of cover or poor outcrop which have been largely ignored by previous explorers. This program has:

- a) Prioritised the two areas at Guchab South and Toggenburg, where broad areas of copper and zinc-lead sulphide mineralisation respectively, have been discovered in the subsurface, and
- b) Completed regional soil geochemistry along key mineralised corridors which has identified significant Zn-Pb anomalism at the Auros prospect located to the west along the Driehoek Corridor.

OML PROJECT LOCATION

Sabre’s Otavi Mountain Land project is located in northern Namibia, in southern Africa (Figure 3). The project comprises two granted tenements, EPL 3540 (SBR 70%) and EPL 3542 (SBR 80%), which cover about 347 sq.km of the ‘Otavi Triangle’ (Figure 4).

The Otavi Mountain Land is home to numerous historic mines, including the Tsumeb copper-lead-zinc mine and smelter complex, plus the Kombat copper mine. These mines are currently on care & maintenance, but the Tsumeb copper smelter remains one of only five operating copper smelters in Africa. The presence of these and other significant mining and processing operations has resulted in the provision of excellent infrastructure throughout the region.

Overall, the Otavi Mountain Land displays a significant mineral endowment of copper, zinc, lead, vanadium, and some semi-precious metals, with well-established supporting infrastructure.



Figure 3: Location of Sabre’s Otavi Mountain Land Project in northern Namibia. Red lines are highways, black crossed lines are railways, black squares are towns and cities, and black star is the capital, Windhoek.

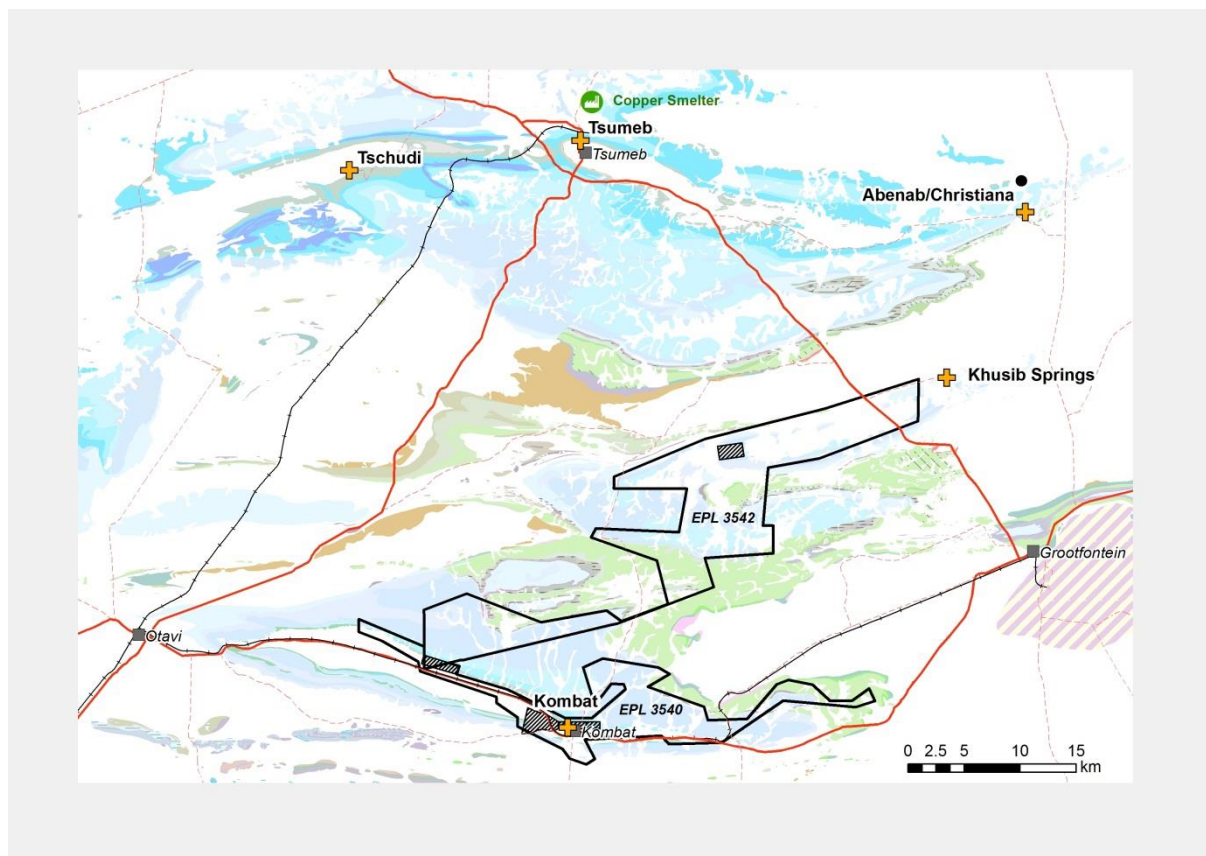


Figure 4: The Otavi Mountain Land, showing roads (red) railroads (black hatched), towns (black square), major mines and deposits (crosses) and the Tsumeb smelter complex. Sabre's two licences, EPL3540 and EPL3542, are located in the highly mineralised south of the area. Mining licences (grey cross-hatched) are not owned by Sabre and are excised from the licences.

GEOLOGICAL SETTING

The Otavi Mountain Land ('OML') is part of the Damaran Mobile Belt, one of the most economically important regions globally for base metal mineralisation. A significant proportion of the world's copper is sourced from the Central African Copper Belt, which is subdivided into the Zambian and the Katangan (DRC) Copper Belts. With giant deposits such as Kamao and Tenke-Fungurume and large high-grade deposits like Kipushi, the Central African Copper Belt is a major source of revenue for both the DRC and Zambia.

On the northern side of the Damaran Mobile Belt, the Central African Copper Belt is separated from the Namib Copper Belt (home to the Otavi Mountain Land) by the overlying sediments of the much younger Kavango Basin and more recent Kalahari sands. The Namib Copper belt extends from the Otavi Mountain Land in the east in an arcuate shape to the Angolan border in the north. It is presently the focus of exploration for Sabre in the highly prospective eastern parts, and for many other companies along its length.

The Otavi Mountain Land itself comprises a sequence of platform carbonates, predominantly dolomites and limestones, which have been variably faulted and folded. The OML hosts a number of types of mineral deposits including:

- Epigenetic zinc-lead deposits (e.g. Sabre's Border and Toggenburg deposits),
- Epithermal copper deposits (e.g. Tsumeb, Kombat & Sabre's Guchab Mining Centre), and
- Late stage lead-vanadium 'overprinting' events (e.g. Berg Aukas and Abenab).

PREVIOUS EXPLORATION

Sabre's extensive work has enabled development of a strong understanding of the mineralisation styles of the Otavi Mountain Land which differs from the widely accepted models. This places the Company in an excellent position to explore for undiscovered mineralisation throughout the licence areas.

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 (Figure 3).

Sabre has also defined two major trends with stratabound zinc-lead sulphide mineralisation (Figure 5). 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, and Auros where numerous percentage-grade Zn and Pb results were obtained in areas with no known historic mining activity.

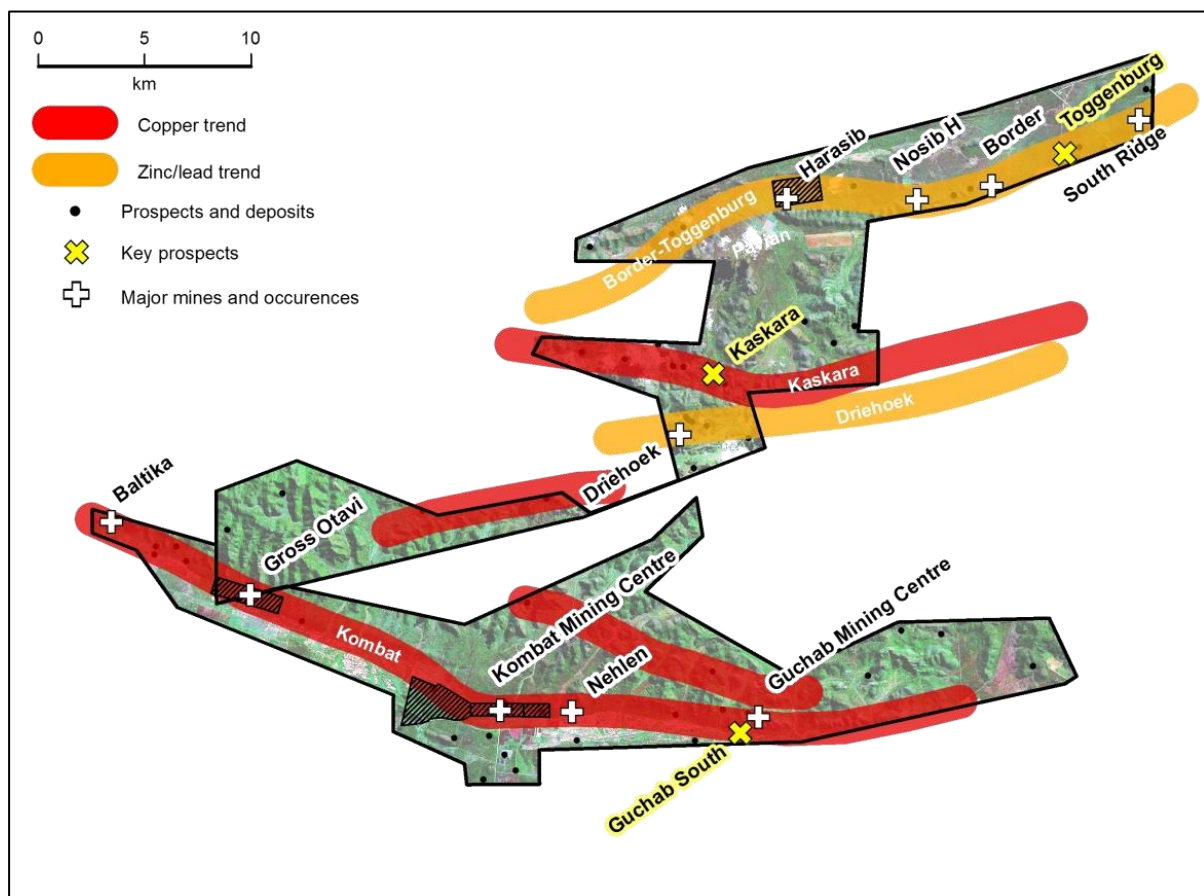


Figure 5: Sabre's licences showing historical mines and prospects, and the mineralised trends identified by exploration. Sabre's strategic focus on the Toggenburg (zinc-lead), Kaskara (copper-zinc-lead-vanadium), and Guchab South (copper) project areas.

EPL 3542 ZINC-LEAD-SILVER PROJECTS

The recent renewal of EPL 3542 allows for the continuation of exploration and evaluation of the significant zinc-lead potential of Sabre's Otavi Mountain Land project. Sabre has defined two major trends with stratabound zinc-lead sulphide mineralisation within EPL 3542 which contain the following resources and projects:

- The Auros Zn-Pb-Ag prospect;
- The Border Zn-Pb deposit (16Mt @1.53%Zn , 0.59% Pb and 4.76 Ag);

- The Toggenburg and Southridge Zn-Pb prospects;
- The Driehoek Zn-Pb deposit; and
- The Kaskara Cu-V and Ag prospect.

Evaluation of historical datasets to identify additional zinc and lead targets continued during the quarter and a work program for 2018 is in preparation.

EPL 3540 COPPER PROJECTS

EPL 3540 contains the Kombat Corridor which is the 40 km long prospective contact extending approximately east-west from the Baltika Zn-Pb-V prospect in the west, through the Gross Otavi and Kombat Copper mines, to the Guchab historical copper mining center at the eastern end of EPL 3540.

Significant prospects include:

- Guchab South Cu-Ag prospect where disseminated copper mineralisation, including bornite, chalcocite, chalcopyrite, and malachite, have been identified in outcrop covering an area measuring over 850 metres by around 100 metres; and
- Baltika Zn-Pb-V prospect where 5,820t of concentrate grading 9% vanadium pentoxide was produced between 1931 and 1942

Proposed surveys at Guchab South which have remained on hold pending the renewal of EPL 3540 will be progressed.

PREPARATION FOR TENEMENT RENEWALS

Sabre will submit renewal applications for its exclusive prospecting licenses prior to end October, 2018. A number of potential areas that could be converted into mining licences such as Border, Guchab, Driehoek, Baltika and Kaskara have also been identified. The application process requires submission of extensive documentation, including detailed geological maps, environmental reports, resource reports, and scoping studies. Compilation of the documentation required for the renewals and mining licence applications continued during the quarter.

CORPORATE

The lengthy delay in obtaining renewals for both the tenements has impacted on the ability of the Company to progress its exploration and access the capital markets. Now it has security of tenure, the Company can proceed with its exploration program and also consider other options such as farm-in or joint venture arrangements for the OML Project.

The Company is also considering other opportunities and an active project generation program is underway to identify new projects that could complement the current Namibian base metal project.

ENDS

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Or consult our website:

www.sabresources.com

Competent Person Declaration

The information in this report that relates to Exploration Results is based on information compiled by Mr Lachlan Reynolds, who is a consultant to Sabre Resources Ltd, and who is a Member of The Australian Institute of Mining and Metallurgy. Mr Reynolds 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 Reynolds 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 I – TENEMENT SCHEDULE

Country	State/Region	Project	Tenement ID	Area (km²)	Date Granted	Date Expires	Interest
Namibia	Otjozondjupa	Otavi Mountain Land	EPL3540	213.2	30/10/2006	29/10/2018	80%
			EPL3542	475.5	30/10/2006	29/10/2018	70%
Australia	WA	Sherlock Bay	M47/567	10.0	07/09/2004	22/09/2025	70%
			E47/1769	44.7	07/09/2009	06/09/2019	70%
			E47/1770	134.3	07/09/2009	06/09/2019	70%