QUARTERLY ACTIVITIES REPORT

for the period ended 30 September 2010

ONGAVA POLY-METALLIC PROJECT, NAMIBIA

Figure 1 – Location of the Ongava Project, northern Namibia. Other base-metal projects throughout the region are also shown.

Work continues on the Ongava Poly-Metallic Project in northern Namibia. During the quarter, work focused on exploring the Kaskara-Lucas Post area, whilst the initial results of the diamond drilling at the Border lead-zinc deposit proved encouraging.

Border and Kaskara are located in the Ongava Poly-Metallic Project, northern Namibia (Figure 1). The project is at the centre of the Otavi Mountain Land, a historic, world-renowned and highly prospective mining region that is home to the world-class Tsumeb copper-lead-zinc-silver mine (now closed).

Figure 2 – The Ongava Poly-Metallic Project area (EPL 3542). Major mines and prospects are labelled. Other prospects are represented by yellow dots (20km grid).

BORDER DEPOSIT AND THE PAVIAN TREND

The Border deposit represents the first stage of the exploration of the Pavian Trend, a 20 km long lineament of fault-controlled lead, zinc and copper mineralisation and strong soil anomalism. Sabre will assess the entire Pavian Trend for the possible development of a string of high-tonnage, moderate-grade lead, zinc, and possibly copper mines.

Field assessment of the other prospects along the trend is already underway, with preliminary drill assessment planned for the fourth quarter.

The first batch of assay results was received from the second phase of diamond drilling at the Border lead-zinc deposit. The new results show the following:

- the deposit's highest grade broad intercepts to date (10m @ 5.30% Pb+Zn).
- the deposit's highest-grade individual metre assay to date (17.85% Pb+Zn and 64g/t Ag, BD049, 113m).
- extension of mineralisation identified at Border deposit, indicating possible further prospectivity at depth.

All significant intercepts were published on 10 August 2010.

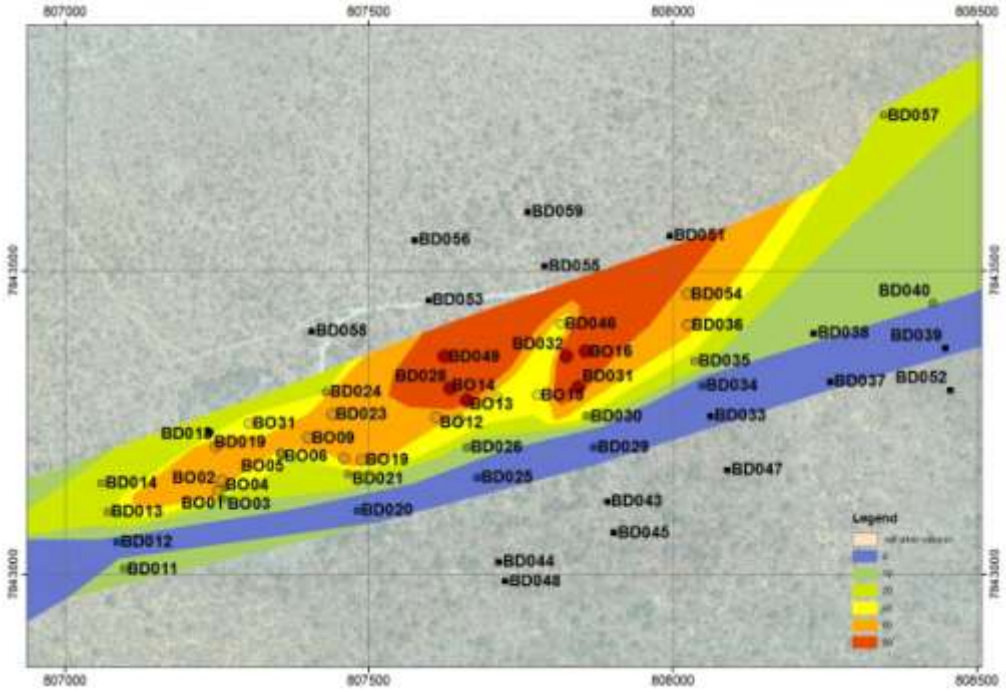

Figure 3 - "Grade x metre" plot for drillholes at Border, showing the distribution of lead-zinc mineralisation. The deposit is open to the north and northeast. Values in excess of 80 (red) correspond to the main mineralised zone. Holes awaiting assay results are shown as black squares. Note - some historic holes did not penetrate the entire mineralised zone and therefore give misleading results, so are therefore not included.

These results serve to strengthen our understanding and definition of the Border deposit, and confirm that the model for mineralisation at Border is successful in predicting the overall trend of the deposit. As expected, mineralisation plunges towards the east-northeast, and remains open to the northeast (Figure 3). This new drilling shows that the mineralisation continues as a broad zone of lower-grade mineralisation encapsulating higher-grade zones, as recognised during previous drilling.

Extrapolation of the model has resulted in the interception of mineralisation at depth to the northeast. Hole BD057 intercepted moderate mineralisation at depth 400 m east of previously known intercepts.

A second batch of samples is being processed. They were held up for some time during export but are now being processed. Assay results for the 6 remaining drillholes will be reported as they are received.

KASKARA PROSPECT AND THE LUCAS POST TREND

An RC drilling programme was undertaken to test outlying targets in the Kaskara-Lucas Post area. The alluvial plains surrounding the hills provided easy access for the truck mounted RC rig, whereas the more prospective targets on the hills are being tested by a portable diamond drill rig.

RC drilling

The first two RC drillholes were located on the gentle slopes to the northwest of the outcropping, high-grade gossans at Kaskara which are exposed on the hills. The first two drillholes intercepted broad zones of strong anomalism and sub economic mineralisation at least 100 m away from the highly mineralised gossans (Figure 4). Importantly, these strongly anomalous zones form a coherent body that has been correlated between drillholes (Figure 5). In addition, fine-grained pyrite has been observed over several tens of metres adjacent to a significant fault zone. These observations are extremely encouraging as they indicate that there is a base metal sulphide mineralising system present in the subsurface at Kaskara.

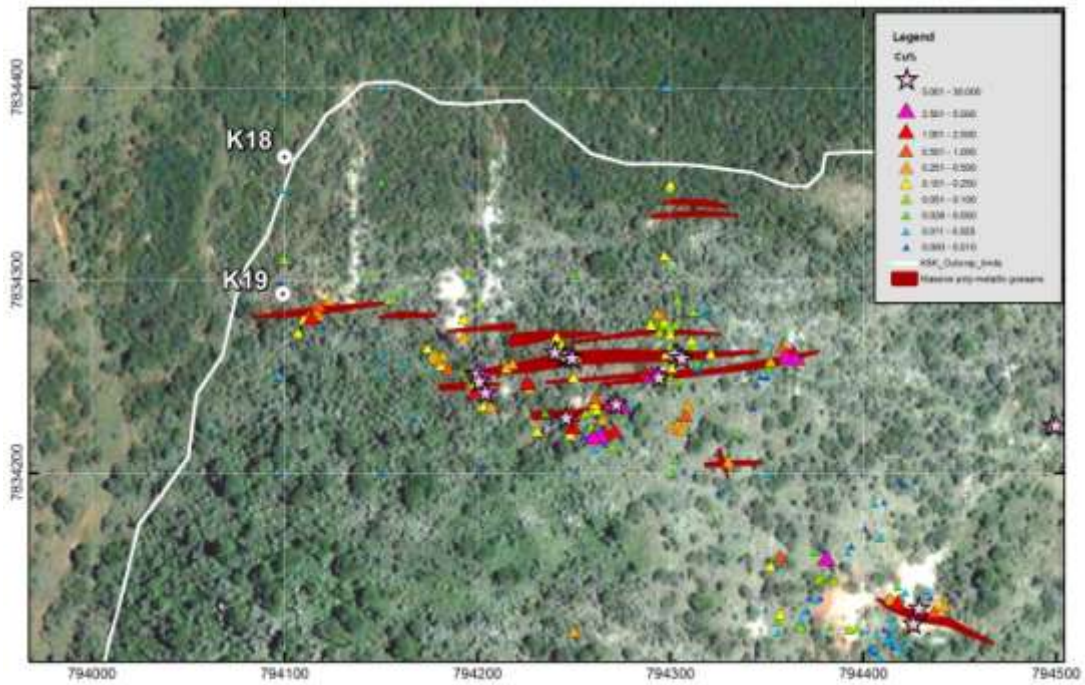

Figure 4 - Location of the first two drill holes at Kaskara, K18 and K19. The holes are located at least 100 m from the strongly mineralised gossans on the hill.

Preliminary analyses using the hand-held XRF analyser on the rock chips indicates that broad zones of highly anomalous copper-lead-zinc values have been intercepted over thicknesses in excess of 40 m.

Other similar zones have been recognised to the west of Kaskara, to the east, and adjacent to Lucas Post. Data from these zones is still to be accumulated and assessed.

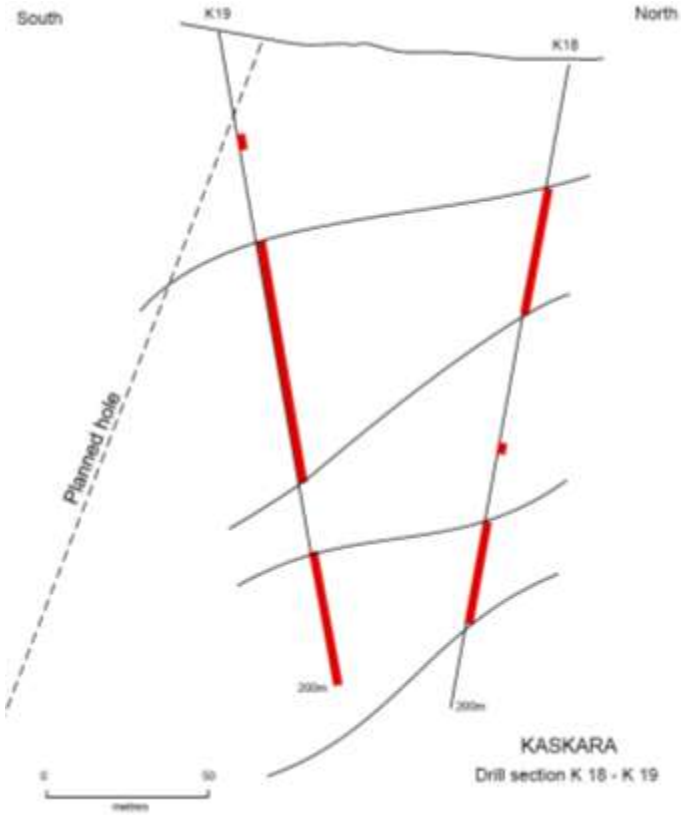

Figure 5 – Highly anomalous mineralised zones to the northwest of outcropping mineralised gossans at Kaskara on line 4100mE.

Diamond drilling

Diamond drilling recently commenced at Sabre's Kaskara copper-lead-zinc prospect (Figure 6). Encouragingly, there were several occurrences of mottramite (copper-lead-zinc vanadate) within the first 3 metres of the strongly altered and brecciated drill core. The rig is positioned well above the gossans in order to intersect them at depth (Figures 7 & 8).

Six diamond drillholes are planned to test the down-dip portions of the outcropping mineralised gossans on the hills. One drill pad is complete, with construction of the remaining two drill pads underway. Two holes are scheduled to be drilled from each pad, including a north angled hole to intercept the gossans at a shallow level, followed by a vertical hole to intercept the gossans or their equivalents at depth.

Difficulty with access to site, with the stabilisation of drill pads, and with sledging of the rig up the irregular terrain has resulted in a slight delay to planned timing. Minor damage to the rig, which was incurred during the winching, was repaired before commencement of drilling, and despite several subsequent mechanical problems, drilling is now proceeding.

Drilling is ongoing and the results will be presented as they come to hand.

Figure 6 - The drill rig in position on the first drill pad at Kaskara.

Figure 7 - The drill rig (yellow, circled) in position on the hill at Kaskara (looking southwest) above some of the outcropping gossans (red dotted lines, positions approximate).

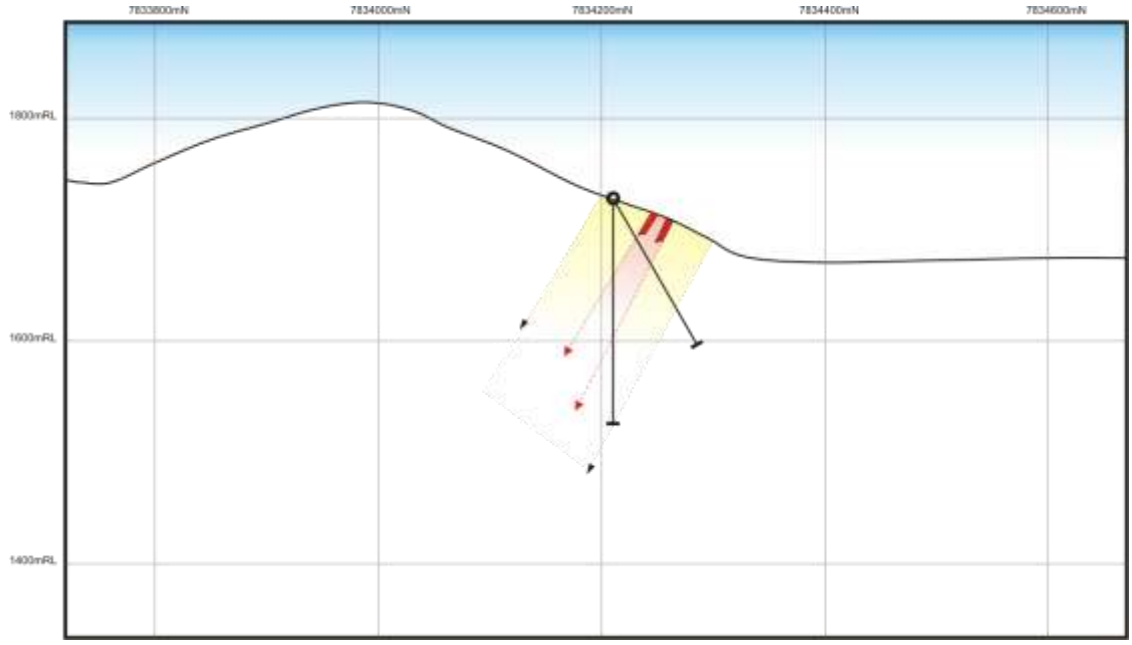

Figure 8 - Diagrammatic representation of the planned drill holes (black) on the 4300mE section. The drill holes are designed to intercept the down-dip extensions (pink and red arrows) of the outcropping gossans (red). The gossans occur within a broader weakly mineralised zone (yellow). Planned holes are to be 100m to 200m in length.

NEW LICENCE APPLICATION EPL4574

Sabre has submitted an application for a new exploration licence (EPL4574) to the northeast of EPL3542 (Figure 9) underlining Sabre's confidence in this highly prospective region. Sabre considers the new licence to be particularly prospective for copper, lead, zinc, silver, and vanadium. Records show that there has been very little historical exploration within the new licence application area.

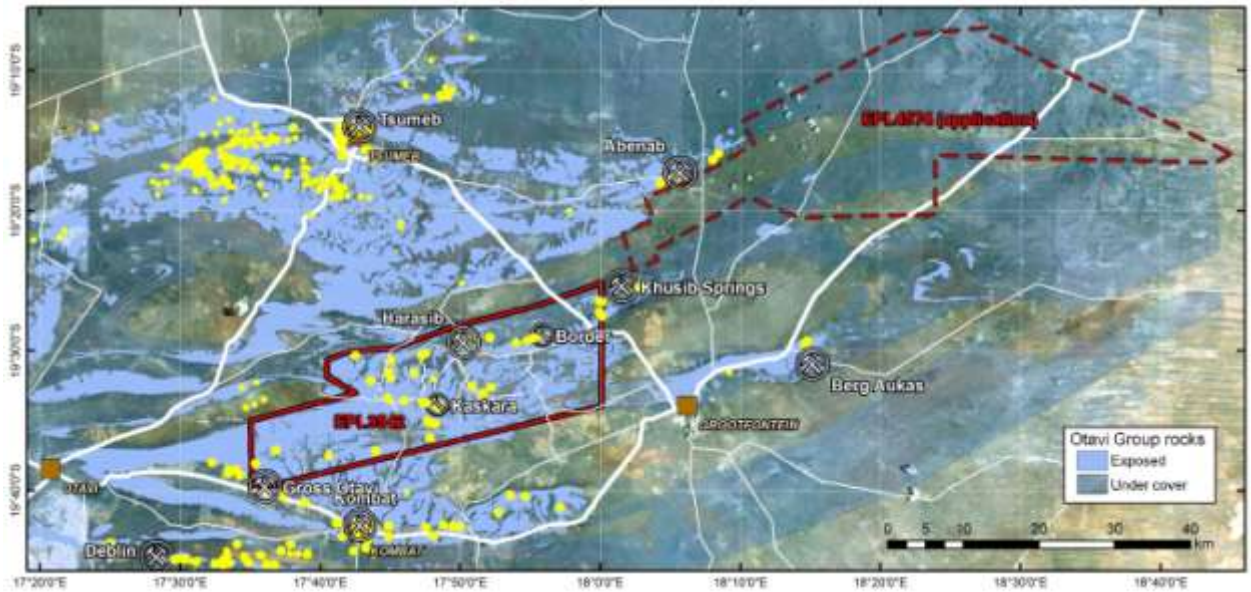

Figure 9 - Sabre's extended Ongava Polymetallic Project, covering EPL3542 and new application EPL4574. The total combined area will exceed 1,500 km^2. The extent of the Otavi Group, the rocks that host the base metal mineralisation of the region, are shown in blue, with the lighter solid blue representing areas of outcrop and the deeper transparent blue representing rocks obscured by thin soil cover. Yellow dots represent historic mines, historic workings, and documented prospects.

The application covers more than 920 km^2 of the Otavi Group rock sequence which lies under shallow soil cover (Figure 9) and includes the eastward extensions of the rock sequences that host the Tsumeb copper-lead-zinc mine, the Abenab lead-zinc-vanadium mine and also the Pavian Trend lead-zinc-copper prospects.

Given the extensive backlog of licences being processed by the Ministry, both for granting and for renewal, we expect that there could be delays in confirming the application as a full exclusive prospecting licence (EPL).

Sabre is actively assessing other opportunities in the region.

REGIONAL MAGNETIC AND RADIOMETRIC SURVEY

Sabre recently commissioned the collection of regional high resolution magnetic and radiometric data from the entire Ongava licence area using low level (30 m height) helicopter-borne sensors.

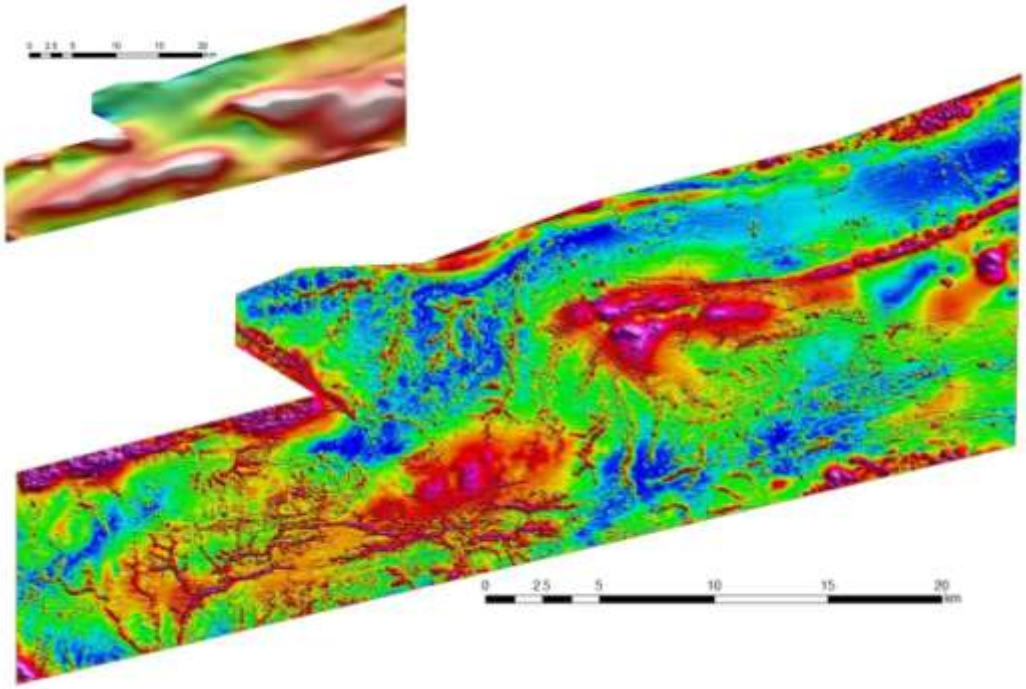

Figure 10 - Recently acquired magnetic intensity (analytical signal) data for the Ongava Polymetallic Project. In the main image, blue represents magnetic lows, grading up to pink which represent magnetic highs. Insert (top left) shows previous low-resolution magnetics for comparison (different scale).

North-south lines were spaced at 100 m intervals over the entire 600 km^2 licence area and its periphery. Sensor height was at 30 m above ground on a boom attached to the base of the helicopter. These parameters have provided some of the highest quality data commercially available (Figure 10).

This dataset will be instrumental in Sabre's ongoing exploration of the Ongava Polymetallic Project. As well as potentially assisting with exploration at and around Border and Kaskara, it is being used to evaluate other known deposits and prospects, such as the Driehoek Zn-Pb deposit and the Rooikat Cu prospect. The dataset is also being used to generate additional targets for mineralisation throughout the Ongava Polymetallic Project area.

Analysis of the data is ongoing, and will be for some time. Sabre anticipates that the data will form the basis for our exploration efforts over the coming years.

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Competent Person Declaration
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter, who is a member of The Australasian 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 "Australasian 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.