

QUARTERLY ACTIVITIES REPORT

for the period ended 31 March 2011

ONGAVA POLY-METALLIC PROJECT, NAMIBIA

Extensive mineralisation has been intercepted during drilling throughout the wet season at Sabre's Kaskara copper-lead-zinc-vanadium prospect. Oxidised mineralisation intercepted to date is indicative of a sulphide mineralised system at depth.

Kaskara is located in the Ongava Poly-Metallic Project, northern Namibia (Figures 1 & 2). 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 1 – Location of the Ongava Project, northern Namibia. Other base-metal projects throughout the region are also shown.

In addition to the work at Kaskara, ongoing fieldwork and preparation for further exploration is underway at the Border lead-zinc deposit, the South Ridge lead-zinc-copper prospect, the intervening Toggenburg Plains area, and the Driehoek lead-zinc deposit.

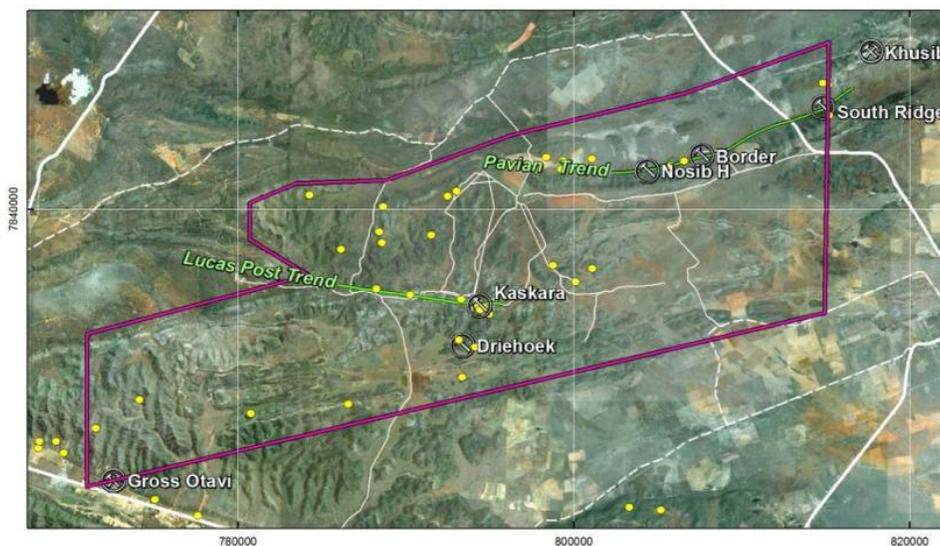


Figure 2 – The Ongava Poly-Metallic Project area (EPL 3542). Major mines and prospects are labelled. Other prospects are represented by yellow dots (20km grid).

KASKARA COPPER-LEAD-ZINC-VANADIUM PROSPECT

Significant copper-lead-zinc-vanadium mineralisation was intercepted by diamond drilling during Sabre's pilot programme at Kaskara. The copper, lead and zinc mineralisation is largely in the form of vanadates rather than sulphides and is ubiquitously associated with iron oxides (hematite) at Kaskara. Even outside of the well-mineralised zones, hematite dustings on features like joint surfaces are associated with highly anomalous copper, lead and zinc values.

Drilling has intercepted several very thick mineralised iron oxide zones, but the soft and friable nature of the material has resulted in many of the samples being washed away by the drilling process and not recovered. Of the recovered samples, several intercepts have been confirmed:

- KKDD029¹, **21.9m @ 0.45% Cu, 5.79% Pb, 1.81% Zn, and 1.41% V**, from 54.0m
- KKDD026¹, **6.0m @ 0.21% Cu, 2.70% Pb, 1.34% Zn, and 0.50% V**, from 34.9m
- KKDD025, **2.7m @ 0.69% Cu, 10.45% Pb, 3.40% Zn, and 2.41% V**, from 0m
- KKDD025, **1.0m @ 0.35% Cu, 3.11% Pb, 0.80% Zn, and 0.73% V**, from 24m
- KKDD024, **2.0m @ 0.11% Cu, 1.30% Pb, 0.96% Zn, and 0.29% V**, from 22m
- KKDD021, **4.0m @ 0.12%Cu, 1.05% Pb, 0.39% Zn, and 0.24% V**, from 22m

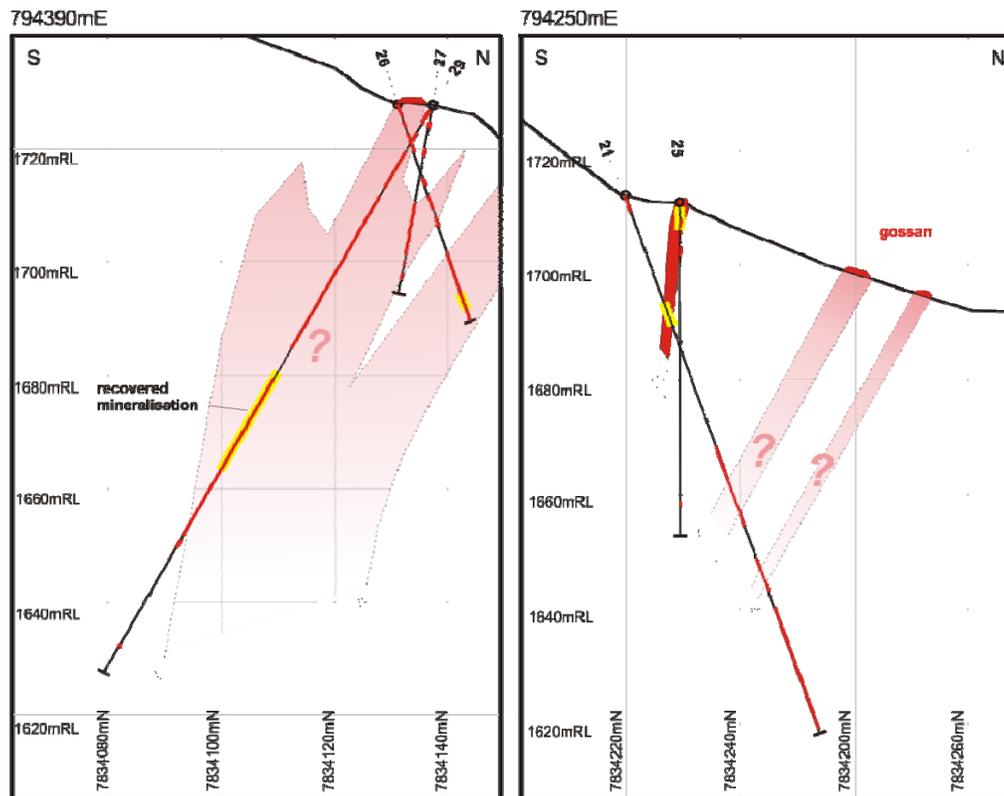


Figure 1 - Cross sections of mineralisation at Kaskara, and the associated zones of extreme core loss. Pink areas are zones of extreme core loss (very little drill core recovery) which most likely are host to Cu-Pb-Zn-V mineralisation. Yellow zones represent assayed mineralisation from recovered drill core. Red zones are outcropping and intercepted mineralised gossans. Red lines on core represent core recovery of less than 50% (core recovery of less than 80% is generally considered very low).

¹ Intervals uncertain due to poor core recovery, requires confirmatory drilling.

There are large sections where no sample was obtained and the above intercepts represent only those portions of those sections where sample was able to be recovered. In particular, the intercepts recorded in KKDD029 and KKDD026 represent portions of material recovered from broad zones of extreme core loss. These zones of core loss, which could not be recovered for technical reasons, are being considered as likely mineralised zones.

Zones of extreme core loss: mineralised zones

Several zones of extreme core loss are coincident with abundant hematite. Recovery of a few hematitic core fragments in these zones has shown, through assay and handheld analysis, that they host hematitic copper-lead-zinc mineralisation. The major zones of core loss include:

KKDD021	3.0m @ 17.7% core recovery (from 0m); and 53.1m @ 25.0% core recovery (from 47.0m to EOH).
KKDD023	12.0m @ 45.7% core recovery (from 80.0m); and 51.0m @ 42.7% core recovery (from 107.0m).
KKDD024	45.0m @ 34.9% core recovery (from 40.7m).
KKDD026	3.7m @ 16.3% core recovery (from 5.4m); and 9.0m @ 37.8% core recovery (from 14.0m); and 9.4m @ 24.5% core recovery (from 31.6m to EOH).
KKDD027	16.0m @ 41.0% core recovery (from 18.0m).
KKDD029	48.8m @ 15.5% core recovery (from 1.0m); and 34.6m @ 13.3% core recovery (from 55.8m).

It is important to note that core recoveries should be 100% (i.e. 1m drilled equals 1m of core recovered). Recoveries below 80% are unusual. A 15% core recovery (e.g. KKDD0029) means that 85% of the material has not been recovered. It is clear that this material, which available data suggests is highly mineralised, must be recovered for analysis.

Core loss at Kaskara — technical information

The gossans are silicified at surface only, becoming quite soft and friable (loose) at depth. Drilling has largely not recovered this material — it has instead been washed away by the drilling process. The driller recorded the common occurrence of "red water" coinciding only with extreme core loss, indicating physical breakdown of hematitic material which is host to mineralisation.

In addition to the results recorded above, other recovered fragments of the loose hematitic material record significant copper, lead, zinc, and vanadium content when analysed using a handheld XRF analyser. Combined, these factors suggest that at least some and possibly most of these broad intervals of core loss correspond to mineralised intercepts that have not been recovered.

Triple tube drill rods, which protect soft or friable material during drilling with a separate inner metal sleeve, have arrived on site to test some of these thicker zones. Some of the new holes will be drilled adjacent to those holes with extreme core loss.

Relationship of oxide zones to sulphides

The soft, oxidised, hematitic mineralised zones are considered to be in contact with sulphide mineralisation at depth, and have formed as a result of very deep weathering of the rocks in the vicinity of this mineralisation. There is clearly a genetic relationship between the oxide material and sulphide mineralisation which has been documented at other deposits in the region, including Tsumeb and Berg Aukas.

Upcoming drilling will continue to follow these irregular zones to depth in order to track our way to the sulphide mineralisation below.

Implications for copper mineralisation

Clearly there is a mismatch between the copper grades identified in early rockchipping, the strong copper-in-soil response, and the copper grades encountered from the drilling to date at Kaskara. Whilst lead and zinc grades are far higher than expected, copper grades have not met expectations. This may be a function of the different behaviour of the metals in a deep weathering profile.

In many deposits worldwide, deep weathering of copper-bearing mineralisation results in local depletion of copper and enrichment of other metals (notably lead and zinc) above the zone of sulphide mineralisation. This then gives way to a "blanket" of intense secondary copper mineralisation at the deepest zone of weathering which directly overlies the primary fresh ore. Such blankets usually include chalcocite (Cu_2S , 80% Cu by weight), which has been identified in outcrop and drill core at Kaskara. Whether a deep-seated copper blanket exists at Kaskara is yet to be determined, but this style of mineralisation is certainly consistent with observations made to date and is therefore a target for continued drilling.

OTHER PROSPECTS

Work has commenced on the re-evaluation of the **Driehoek** lead-zinc deposit, around 2.5km south of Kaskara. Exploration was undertaken by Gold Fields of Namibia in the 1990s with numerous shallow holes drilled. Based on this drilling and their resource calculations, Sabre has defined an exploration target:

Driehoek: 2.5-3.5 Million Tonnes @ 4-5% Lead & Zinc*.

Resampling of extensive historic trenches as well as sampling of new trenches is underway in order to confirm the broad zones of mineralisation reported in the historic documents. This will be followed by confirmatory drilling to supplement the historic drill data and to enable use of this drill data in a future JORC resource.

At **Border**, additional lines are being cleared to enable infill drilling of the higher-grade portions of the deposit.

* The potential quantity and grade of the Driehoek deposits is conceptual in nature, as Sabre has determined that insufficient exploration 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 is based upon deposit calculations undertaken by Gold Fields of Namibia Ltd.

Metallurgical test work of the **Border** deposit is underway. Comminution testing (to test the crushability of the ore) is completed. The mineralised material is not particularly hard or abrasive, and should not pose any foreseeable problems during crushing and grinding. Ore beneficiation studies (using dense media separation) show that the mineralisation can be favourably upgraded. These tests are ongoing but the testwork carried out to date is showing very encouraging results.

At **South Ridge**, around 7.5km east of Border on the Pavian Trend, outcropping lead-zinc-copper mineralisation is being mapped in detail. Controls on mineralisation appear to be similar to those at Border, as expected. Preparations are presently underway for first-pass shallow drilling of South Ridge and the soil-covered **Toggenburg Plains**. It is expected that this 7.5km long area will host several concentrations of lead-zinc(-copper) sulphide mineralisation that will require follow-up drilling.

Ongoing assessment of other projects in the vicinity of the Ongava Project continues. Projects within a nominal 100 km radius of the Ongava Project are being considered for exploration from our existing base. Several copper plays and historic mines are being investigated in detail, and negotiations are continuing on potential access to these projects.

UPCOMING WORK

Upcoming work during the second quarter of 2011 will include:

- Clearing of access tracks on the hill at Kaskara in preparation for a systematic drill programme.
- Commencement of the systematic drilling programme at Kaskara (around 30 holes planned over the course of the programme).
- Continuation of trenching at Driehoek.
- Preparation of access tracks to Driehoek for upcoming drilling.
- Continuation of metallurgical testing of the Border deposit.
- Clearing of lines for infill drilling at Border.
- Commencement of the infill drilling of higher-grade mineralisation at Border.
- Shallow first-pass drilling on the Toggenburg Plains and at South Ridge.

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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.