

# QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2012



*RC drilling continues from the peak of the Kaskara hill, January 2013*

## HIGHLIGHTS

Sabre continued drill testing of its two primary target areas, namely the Guchab copper mining centre and the Kaskara prospect.

### Kombat Trend (Cu-Ag)

- Reconnaissance diamond drilling at **Guchab** has continued to intersect significant copper mineralisation in a number of locations across the prospect area, including Pad 4 in the High Valley'.
- Drilling in the 'High Valley' (Pad 4) at Guchab has included intercepts of:  
GCDD0011 18.85 m @ 1.06% Copper & 15.05 gpt Silver from 42.22 m
- A second drilling contractor has commenced work at Guchab, on Pad 5 south of Pad 1.

### Lucas Post Trend (Cu-Pb-V)

- RC drilling has proven an effective drilling method at **Kaskara** prospect, with twenty eight holes now completed,
- A number of mineralised zones have been intersected, with initial drill holes (on the margins of the system), returning results including:

KKRC0019 3.00 m @ 5.16% Pb, 2.21% V<sub>2</sub>O<sub>5</sub> & 0.59% Cu from 12.00 m

## 1 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 diamond drilling at Guchab and RC drilling at Kaskara.

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 the Tsumeb base metal smelter complex, one of only five operating copper smelters in Africa. The province, historically a globally important source of copper, lead, zinc and vanadium, is presently undergoing a renaissance due to exploration by Sabre in the region.

Exploration recommenced in the Otavi Mountain Land in mid-January 2013, following a short break over the festive season at the end of 2012. Infrastructure constructed during the 2012 field season has resulted in the present 'wet season' having little effect on the Company's exploration programme.

## 2 KOMBAT COPPER TREND (Cu-Ag)

Sabre acquired the Otavi Valley tenement in mid-2012, which covers much of the Kombat Copper Trend, a regional-scale copper-bearing fault structure more than **50 kilometres long**. The Kombat Copper Trend hosts a number of mines and prospects, including the Kombat Copper Mine\*, with the current focus of Sabre's exploration programme being diamond drilling at the Guchab Mining Centre.

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

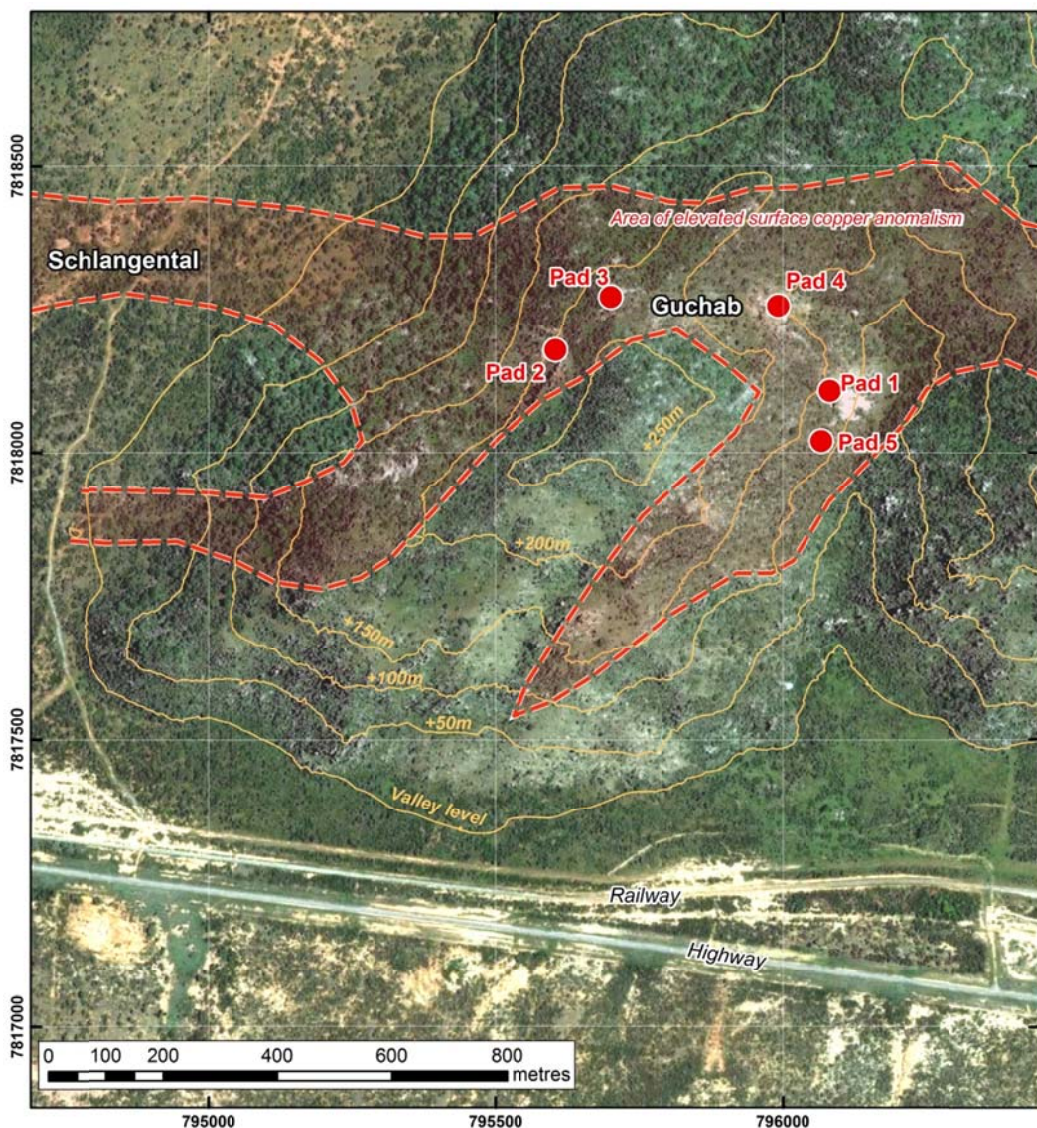


**Figure 1** – Oblique view east from the Kombat copper mine (foreground, excised area shaded) along strike to Sabre's series of copper targets (yellow) at Nehlen and Rendezvous in the Kombat Ost copper target area, and Guchab in the Guchab mining centre - the licence boundary is shown in yellow.

## 2.1 The Guchab Mining Centre

The Guchab Mining Centre is a series of historic copper mines 10 kilometres east of the Kombat mine which were mined in the early 20<sup>th</sup> century. Metamorphic **copper** mineralisation has formed vein and breccia style deposits **over more than 4 km of strike**, with soil anomalies in excess of 10,000 ppm or 1% copper.

Sabre has initiated a programme of reconnaissance drilling at Guchab to test the extent of mineralisation at various mine works at Guchab. A man-portable diamond drill rig is required at Guchab due to the terrain. Work is now underway at the High Valley (Pad 4) and Eastern Adits (Pad 5), where a new drilling contractor has been commissioned to expedite the exploration programme.



**Figure 2** – Satellite imagery of the Guchab area showing infrastructure, and an outline of the surface geochemistry with drill pad locations.

### 2.1.1 The High Valley (Drill Pad Four)

Drilling in the High Valley has intersected significant mineralisation. Intercepts included:

GCDD0011 18.85 m @ 1.06% Copper & 15.05 gpt Silver from 42.22 m  
*including* 3.63 m @ 4.08% Copper & 61.92 gpt Silver from 57.44 m

The second hole on Drill Pad 4, GCDD0012, has yet to reach target depth and remains incomplete due to a mechanical & structural failure with the drill rig. A second drilling contractor has been commissioned to expedite the exploration programme at Guchab.

### 2.1.2 Eastern Adits (Drill Pad Five)

A second diamond drilling contractor (who is also undertaking the RC drilling at Kaskara), has been commissioned to expedite the drilling programme at Guchab.

The new contractor's rig has been moved into position on Pad 5 (Figure 3), which is immediately south of Pad 1, with holes designed to test the extent of the mineralisation encountered on Pad 1. This rig has already completed its first hole and is well advanced on its second.

Sabre looks forward to reporting the results from this drilling as they become available.



**Figure 3** – At Pad 5, a Company geologist examines outcropping copper mineralisation adjacent to the new contractor's man-portable diamond drill rig.

## 2.2 Expansion of drilling capabilities at Guchab

Sabre is utilising two methods to increase the productivity of the diamond drilling at Guchab:

- **New contractor** – A new diamond drilling contractor has been commissioned to expedite the drilling programme at Guchab.
- **Sabre rig** – In addition to this contractor, Sabre has placed an order to acquire a man-portable diamond drill rig of its own. The rig is presently under construction and should be delivered to site early in the second quarter of 2013 for work at Guchab and other locations as required.

In order to operate the new Company rig, Sabre is in the process of appointing a drill rig supervisor. The candidate is an experienced diamond driller by trade and has operated extensively in southern Africa, including Namibia. He will be based in the Otavi Mountain Land and will oversee all of the Company's drilling operations.

## 2.3 Guchab Geophysical Surveys

In December 2012 a programme of surface and downhole EM (electromagnetic) surveys was completed across the Guchab area (Figure 4). This data is currently being processed and will be made available to Sabre's geophysical consultants in the coming weeks.



Figure 4 – EM transmitter at Guchab, December 2013.

## 3 THE LUCAS POST COPPER TREND

The Lucas Post Trend is a 'provincial-scale' structure covering more than **twenty five kilometres** of strike within Sabre's project area. The Trend is highlighted by strong copper anomalism in soil geochemistry.

### 3.1 Kaskara RC Drilling

The Reverse Circulation ('RC') drilling at Kaskara commenced in late October. A total of more than thirty holes is planned across the outcropping mineralised zone, with twenty eight holes drilled to date. Samples from the majority of these holes are in the laboratory (results for three holes have been received) and the remaining holes are either in transit to the laboratory or are in the process of being sampled.

The drill holes reported to date have been on the lower slopes of the hill at Kaskara, on the margins of the mineralised system. The results show that we have successfully intercepted the fringes of a broad mineralised system at Kaskara. Significant intercepts within these mineralised zones include:

KKRC0019	8.00 m @ 2.15% Pb, 0.91% V <sub>2</sub> O <sub>5</sub> & 0.24% Cu from 12.00 m
<i>including</i>	3.00 m @ 5.16% Pb, 2.21% V <sub>2</sub> O <sub>5</sub> & 0.59% Cu from 12.00 m
KKRC0020	6.00 m @ 1.17% Pb, 0.47% V <sub>2</sub> O <sub>5</sub> & 0.18% Cu from Surface
and	2.00 m @ 1.32% Pb, 0.29% V <sub>2</sub> O <sub>5</sub> & 0.11% Cu from 119.00 m

The Company is awaiting results for a large number of samples due to a backlog at the laboratory in Namibia. These results are expected to become available in the coming weeks.

Following the short Christmas break, drilling recommenced at Kaskara in mid-January 2013, with the programme now focusing on a number of deep RC holes (>250 metres depth) to test the IP geophysical anomaly at depth.

#### 4 ANALYST REPORTS

Two financial groups have now completed research regarding Sabre Resources and its activities in the Otavi Mountain Land.

- A. **Helmsec Global Securities Pty Limited** ('Helmsec') released a research report in December of 2012,
- B. **Phillip Capital Limited** ('Phillip Capital', previously Octa Phillip), released Equity Research relating to the Company in January 2013.

Both reports provide a summary of the Company, including the geographical and geological settings of its projects in Namibia, a peer comparison, and the anticipated outlook for the Company in 2013.

These research reports can be found at Sabre's website at [www.sabresources.com](http://www.sabresources.com).

#### 5 CONCLUSION

Sabre has positioned itself to accelerate its exploration efforts into 2013. With new drilling contractors and the purchase of a Company drill rig, Sabre will be able to fully assess Guchab and Kaskara with the potential to expand its programme to the other copper prospects of the Kombat Copper Trend. Sabre looks forward to updating shareholders as the exploration programme in the Otavi Mountain Land continues, in particular as the results of the diamond drilling from Guchab are received and RC drilling programme continues at Kaskara.

**For further information please contact:**

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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 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.

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Luke Marshall of Kalgoorlie Mine Management, who is a member of The Australian Institute of Geoscientists. Mr Marshall 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". Mr Marshall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

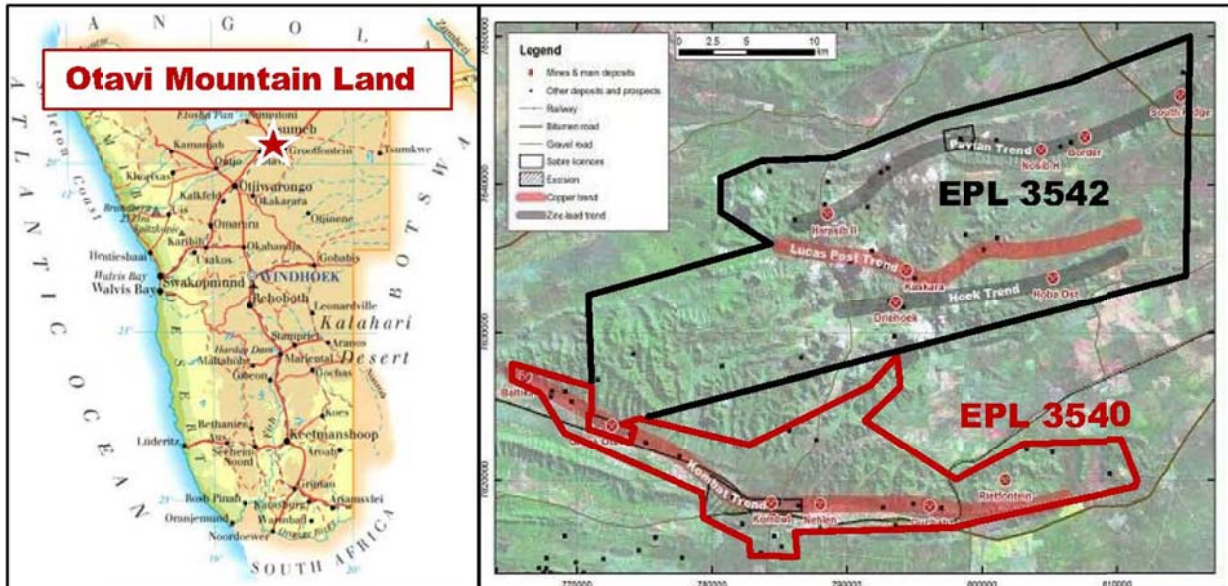
#### **Forward-Looking Statements**

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.

## SABRE'S OTAVI MOUNTAIN LAND COPPER PROJECT

The Otavi Mountain Land Copper Project ('OML') is located in northern Namibia, lying within the triangle created by the mining towns of Tsumeb, Otavi and Grootfontein.

The entire region is well served by sealed roads, high voltage power, telephone and water, rail to port and is close to major towns and mining processing facilities, including the Kombat copper concentrator and Tsumeb Smelter complex (one of only five operating smelters in Africa).



Sabre's OML project consists of two Exclusive Prospecting Licences (EPL 3540 & 3542), which cover more than 800 km<sup>2</sup> of highly prospective base metal stratigraphy. Sabre has identified two key copper trends within its project area, each covering more than 25 km of strike, defined by surface geochemistry and historical workings. These extensive copper trends, namely the Lucas Post and Kombat Trends, are the present focus of exploration.

The region hosts a number of world class Copper, Zinc, Lead, Silver and Vanadium mines, including the **Tsumeb & Kombat Copper** mines. The Otavi Valley tenement (EPL 3540) surrounds the **Kombat Copper** mine on all sides and covers the strike extensions of the mine stratigraphy. To date, the Kombat Mine has produced more than 8.7 Mt @ 3.1% Cu, 1.1 Pb and 26 gpt Ag.

Sabre's focus is currently the Guchab Copper prospect in the Otavi Valley and the Kaskara Copper-Lead-Vanadate prospect in the central Otavi Mountain Land.