

# QUARTERLY ACTIVITIES REPORT

## FOR THE QUARTER ENDED 30 JUNE 2020

### HIGHLIGHTS

- Detailed aeromagnetic survey planned for Bonanza Gold Project
- DMIRS grants 5-year exemption for the Sherlock Bay Nickel Project
- Field operations in Namibia recommence following Covid-19 travel restrictions

### YOUANMI GOLD PROJECTS

The Youanmi Gold Projects comprise two granted Exploration Licences located in the Youanmi Goldfield in Western Australia (Figure 1) adjacent to Spectrum Metals Ltd's Penny West Project. The Youanmi Gold Mining District has gained investor attention with the discovery of the Penny North gold resource by Spectrum Metals Ltd and the subsequent announcement in February 2020 of a takeover for Spectrum Metals Ltd by Ramelius Resources Ltd.

The Youanmi Project covers a granite-greenstone belt containing faults that splay to the north-west off the Youanmi Shear Zone that controls gold mineralisation at Penny West/Penny North.

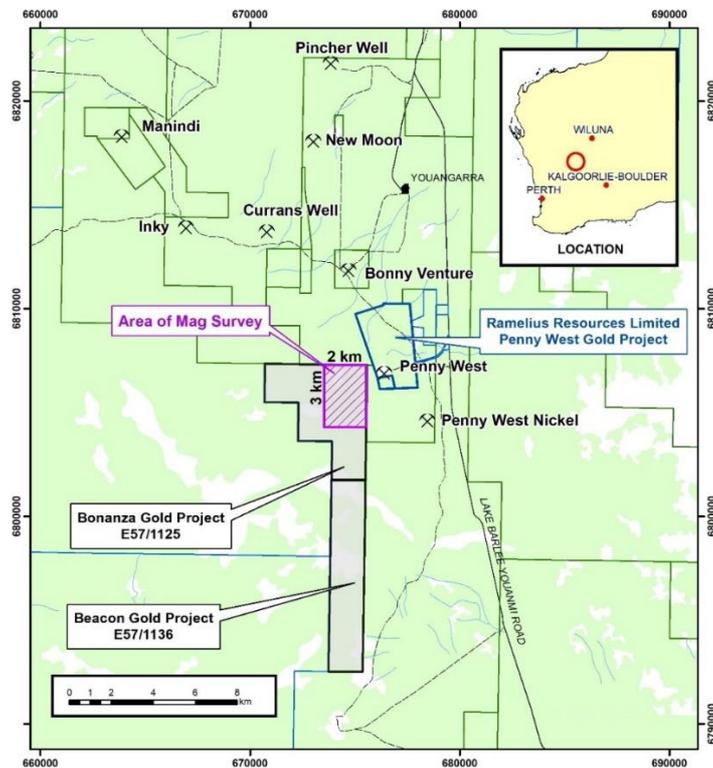


Figure 1: Location plan showing planned aeromagnetic survey area

Sabre has engaged Perth based Pegasus Airborne Systems Pty Ltd to conduct a detailed airborne magnetic survey on Exploration Licence E57/1125 (Bonanza Gold Project), located immediately west of the Penny West Gold Mine (Figure 1-2).

The detailed aeromagnetic survey is planned to be conducted over a priority structural target area of 2km by 3km in the northeast corner of E57/1125, with a line spacing of 20m for a total of 300-line kilometers. The northeast corner of E57/1125 is approximately 500m from the tenement boundary of Ramelius Resources Ltd and 800m from the Penny West discovery. Once the aeromagnetic survey is completed and the data is processed, Sabre will delineate the highest priority drill targets and plans to immediately follow this with a drilling program.

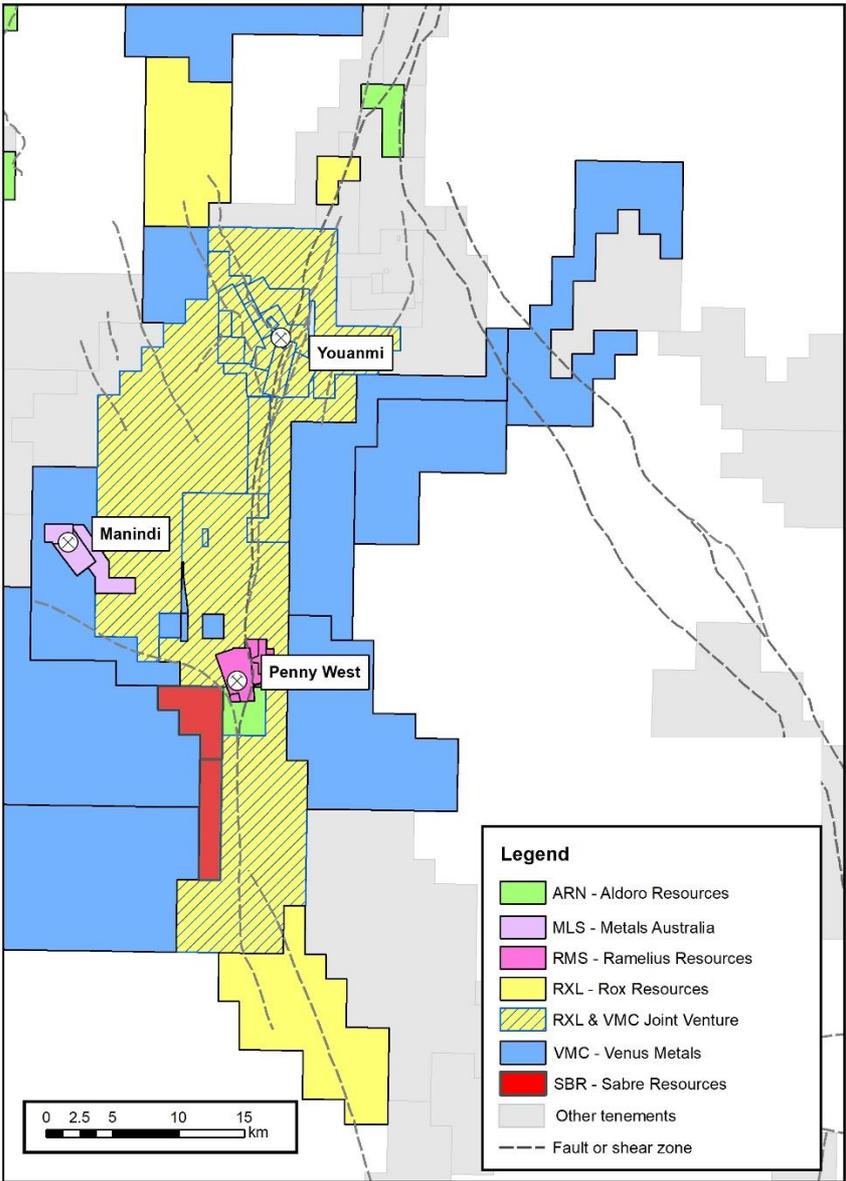


Figure 2: ASX listed companies active in the Youanmi area showing main structural trends

## SHERLOCK BAY PROJECT

Sabre holds 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 (Figure 3). The Project is contained within mining lease M47/567. The mining lease contains a resource of 24.6Mt grading 0.4% nickel, 0.09% copper and 0.02% cobalt<sup>1</sup>.

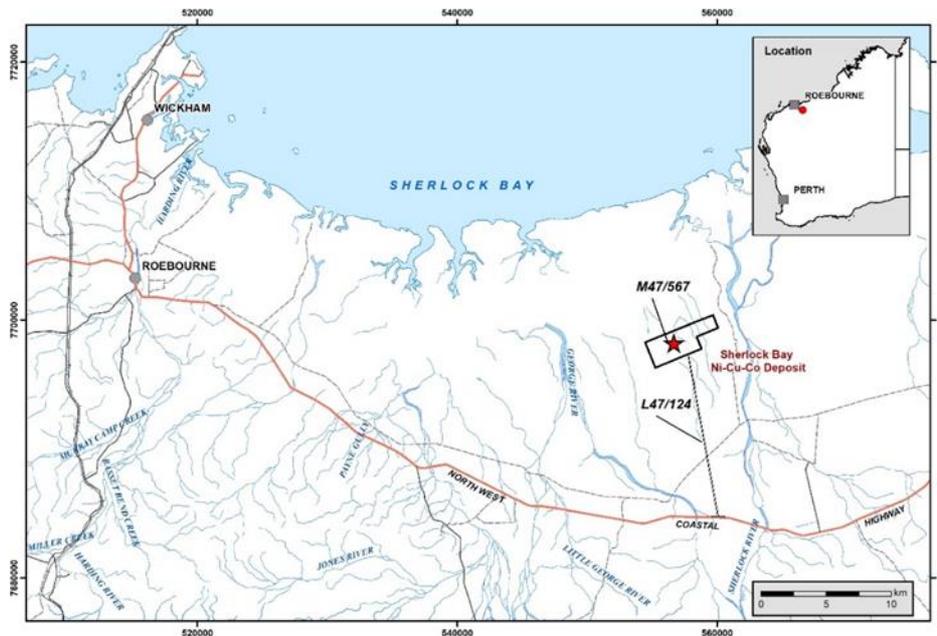


Figure 3: Location map of the Sherlock Bay Project in Western Australia

In June 2020, Sabre announced that the West Australian Department of Mines, Industry Regulation and Safety (DMIRS) had granted a 5-year exemption from expenditure for M47/567 that covers the Sherlock Bay Nickel Deposit in the Pilbara Region of Western Australia. The exemption was granted on 27 May 2020 and is valid for the tenement years ending 22 September 2020 through 2024. The annual minimum expenditure commitment was previously \$100,000 per year.

The DMIRS granted the exemption from expenditure under Section 102(2)(c) of the Mining Act on the basis that “the ground the subject of the mining tenement contains a mineral deposit which is uneconomic but which may reasonably be expected to become economic in the future”.

The Company has done much of the work required to make a decision to proceed to develop the project. Sabre considers that it is well positioned to take advantage of any future recovery in the nickel price and in that event, quickly bring the project into production. Sabre continues to review the economics of the project following recent fluctuations in the nickel price.

## 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 copper mineralisation, stratabound zinc-lead mineralisation and vanadium deposits (Figure 4).

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<sup>1</sup> SBR ASX announcement dated 12 June 2018 ‘Sherlock Bay resource estimate update’. The Company is not aware of any new information or data that materially effects the information in this announcement.

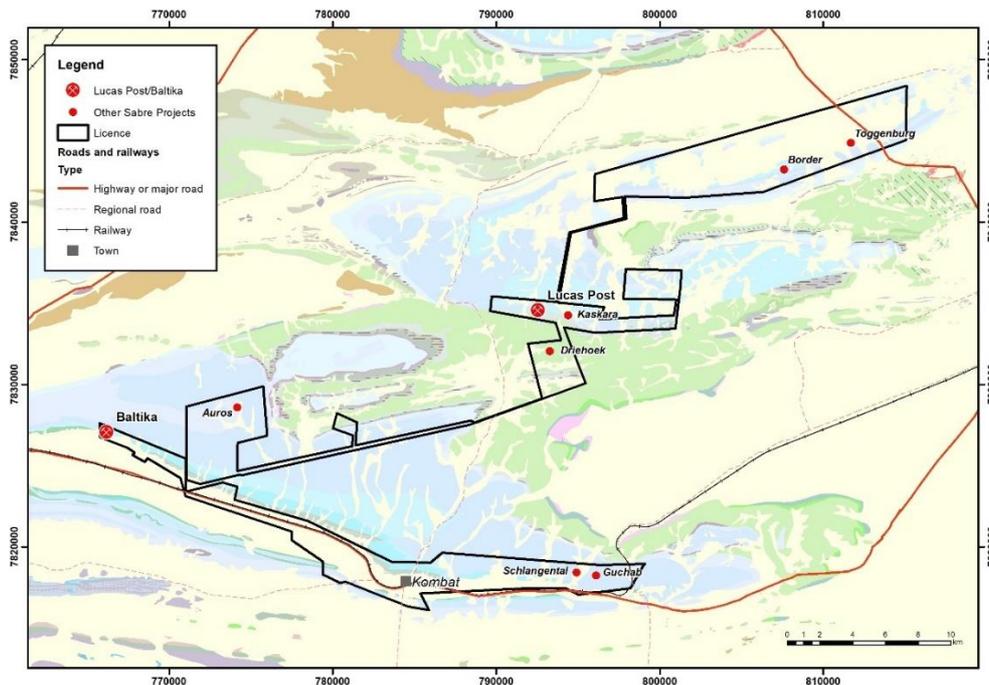


Figure 4: Location plan showing the Otavi Project (EPL3540) and the Ongava Project (EPL3542) and prospects

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

The Otavi Mountain Land Project comprises two tenements, EPL 3540 (SBR 80%) and EPL 3542 (SBR 70%), which cover about 347km<sup>2</sup> of the 'Otavi Triangle'. Renewal applications for EPL3540 and EPL3542 have been granted for an additional two-year term and will now expire in May 2021.

During the quarter, Sabre's exploration office in Kombat was reopened following a lifting of some travel restrictions in Namibia related to the Covid-19 virus and field activities recommenced.

On 10 June 2020, Sabre reported the results from auger and rock chip sampling of surface waste dumps and tailings at the historic Baltika and Lucas Post Mines.

Sampling at the Baltika prospect, located on the western end of EPL3540 returned high levels of vanadium, lead and zinc in tails and waste rock from the historic mining operations. The highest values are 1.26% V<sub>2</sub>O<sub>5</sub>, 15.0% Zn and 3.8% Pb<sup>2</sup>.

The Baltika Mine was worked for 11 years producing 5,820 tonnes of concentrate at a grade of 9% vanadium pentoxide<sup>2</sup>. The high-grade vanadium-basemetal mineralization is contained in a narrow steeply dipping veins that were mined from an adit extending under the hill. Additional high-grade mineralization may extend below the level of the adit and has not been tested with drilling. Processing of the surface waste dumps and tails may also be possible.

<sup>2</sup> SBR ASX Announcement dated 10 June 2020 'Exploration Update'.

<sup>3</sup> Cairncross, B., 1997. The Otavi Mountainland Cu-Pb-Zn-V deposits, Namibia. The mineralogical Record. Volume 28, March-April 1997. The Company is not aware of any new information or data that materially effects this information.

At Lucas Post, 29 rock chip samples were taken on a grid pattern to test waste dumps around the historic workings. The results contain elevated vanadium pentoxide, lead and zinc with peak values of 2.74% V<sub>2</sub>O<sub>5</sub>, 1.54% Zn and 7.48% Pb<sup>2</sup>.

## **CORPORATE**

The Company had cash reserves at 30 June 2020 of \$449K.

Subsequent to the end of the quarter, the Company completed a capital raising of \$1,096K (before associated costs). Sabre has low overhead costs and is well funded to take advantage of its current portfolio of mineral assets.

The Company has also been successful in its application for participation in the Australia Federal Government's Junior Minerals Exploration Incentive scheme for the 2020/21 income year. Sabre has received an allocation of \$300,000 in tax credits that can be distributed to eligible investors.

This announcement has been authorised for release by the Board of Directors.

**ENDS**

**For further information please contact:**

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Or consult our website:

[www.sabresources.com](http://www.sabresources.com)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

### **Competent Person Declaration**

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resource or Ore Reserves is based on information compiled by Mr Martin Bennett, who is a consultant to Sabre Resources Ltd, and who is a Member of The Australian Institute of Geoscientists. Mr Bennett 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 Bennett 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 program 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

Sabre Resources tenement schedule at 30 June 2020

Country	State/Region	Project	Tenement ID	Area (km <sup>2</sup> )	Date Granted	Date Expires	Interest
Namibia	Otjozondjupa	Otavi Mountain Land	EPL3540	56.19	30/10/2006	7/5/2021	80%
			EPL3542	116.29	30/10/2006	8/5/2021	70%
Australia	WA	Sherlock Bay	M47/567	10.0	23/09/2004	22/09/2025	70%
			L47/124	0.97	21/07/2004	20/07/2025	70%
Australia	WA	Bonanza	E57/1125	18.0	10/01/2020	9/01/2025	100%
	WA	Beacon	E57/1136	15.0	14/03/2020	23/03/2025	100%
	WA	Wanna	E09/2244	31.35	25/02/2019	24/02/2024	100%