ASX ANNOUNCEMENT & MEDIA RELEASE

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SABRE RESOURCES LTD

HIGH GRADE VANADIUM AND BASE METALS DISCOVERY AT KASKARA

- **13 m @ 2.87% V_2O_5, 7.43% Pb, 2.89% Zn and 0.42% Cu in underground channel sample, 30 m below surface.**
- **Adjacent drillhole intercepted 21.85 m @ 2.52% V_2O_5, 5.79% Pb, 1.81% Zn and 0.45% Cu from ~40 m below surface.**
- **Intercepts are positioned directly above the main IP anomaly, which is the target for Cu-rich mineralisation.**
- **Workings appear to descend for at least 100 m.**
  - **Top two mine levels investigated to date (sampling ongoing).**
  - **Remaining deeper workings will be mapped and sampled as they are made safe.**
- **Priority sampling of workings commenced.**
- **Kaskara has the potential to be a major base-metal deposit.**

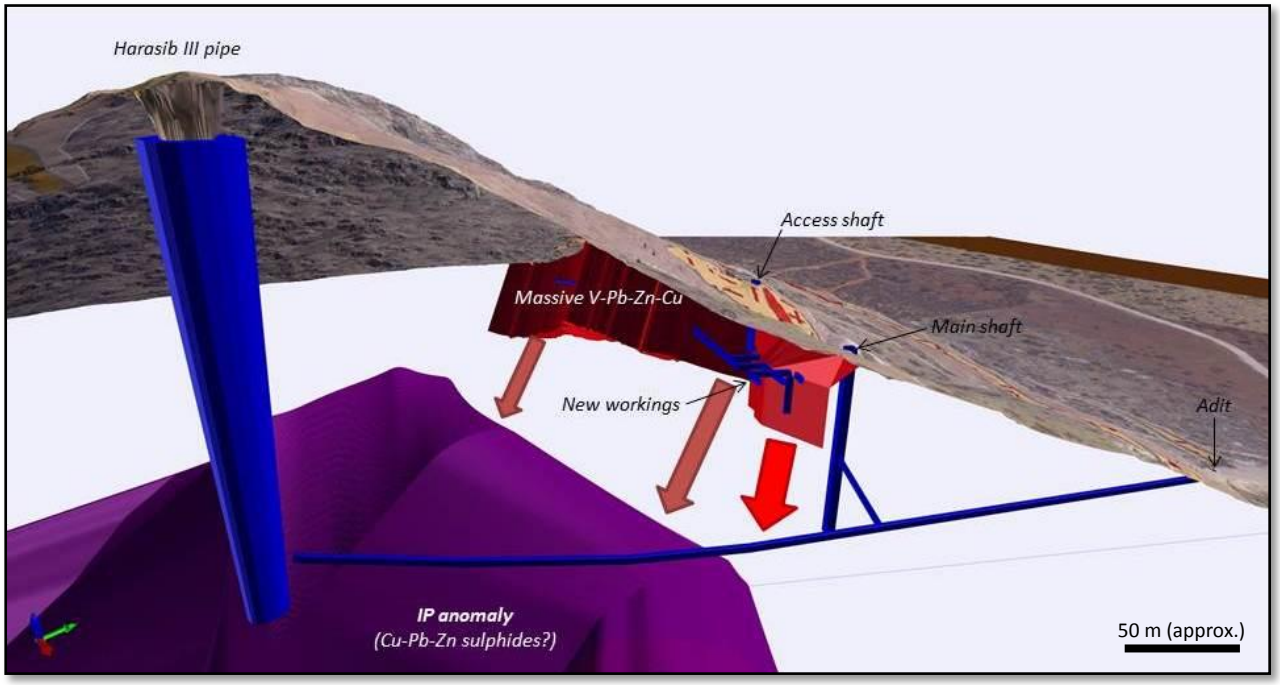

Figure 1 – 3D model of mineralisation (red) and geophysical anomalies (purple) at Kaskara, showing the underground workings (blue). Arrows show the expected extension of the massive V-Pb-Zn-Cu mineralisation to depth towards the IP anomaly. The view is a broad section towards the west, showing the underside of the hill surface behind the Harasib III pipe.

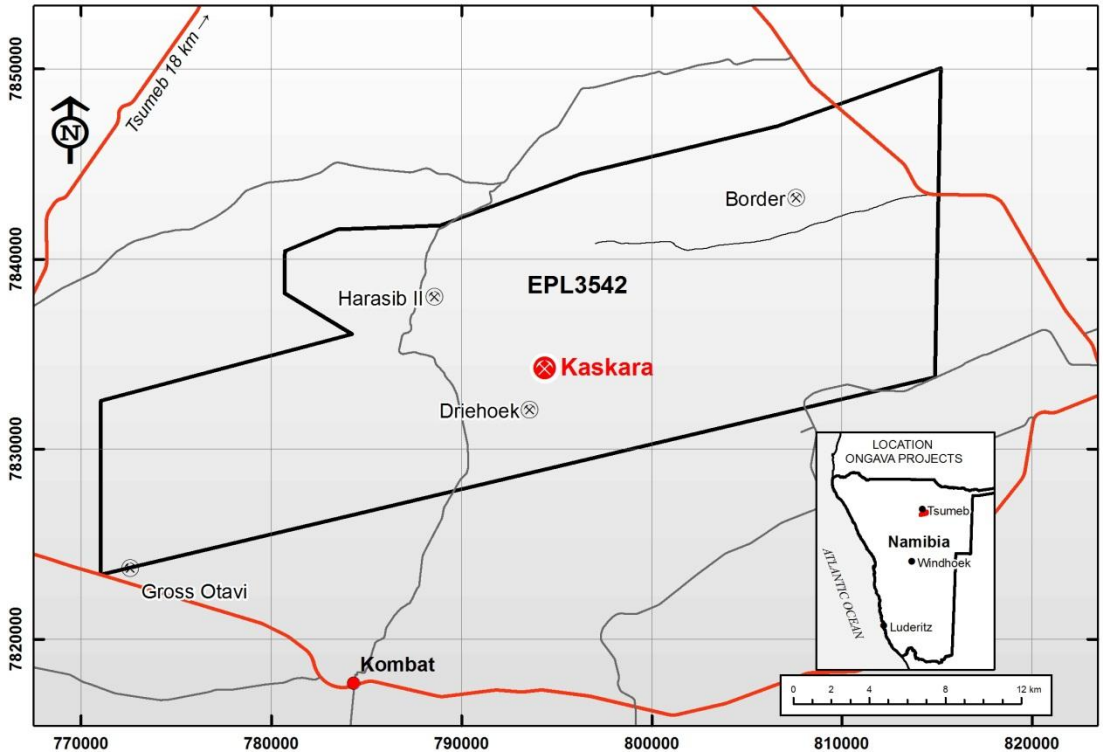

Figure 2 – Location of the Kaskara Project

EXTENSIVE MINERALISATION DISCOVERED AT KASKARA

Sabre Resources' staff have made several remarkable discoveries since gaining access to previously unknown and inaccessible workings within the underground mine workings at Kaskara in the Otavi Mountainland, northern Namibia (Figure 2). Broad zones of massive V-Pb-Zn-Cu mineralisation were encountered in a network of underground tunnels.

A preliminary channel sample was taken on 4m composites through one of the zones of massive mineralisation to test the grade potential. The channel sample (KKUG0003[1]) returned **13 m @ 2.87% V_2O_5, 7.43% Pb, 2.89% Zn and 0.42% Cu** (Figure 3).

This result augments the result from the nearby drillhole KKDD029[2] of **21.85m @ 2.52% V_2O_5, 5.79% Pb, 1.81% Zn and 0.45% Cu from 53.96m**. This intercept is from the same zone of mineralisation as the above channel sampling result.

Follow-up programmes of underground channel sampling and mapping are underway. Results of these programmes will be reported as they come to hand.

1&2 Location data for channel sampling and drilling shown below. The mineralised intercept in KKUGB0003, 13 m @ 2.87% V_2O_5, 7.43% Pb, 2.89% Zn and 0.42% Cu, is from 7 m.

	Channel / Drillhole	*Easting*	*Northing*	*RL*	*Meterage*	*Dip*	*Azimuth*
1	KKUG0003	794408	7834136	1725	0m 13m	0° 0°	150° 070°
2	KKDD029	794390	7834137	1755	0m	-60°	180°

Note that the RL for KKDD029 is different to that previously reported due to acquisition of new LIDAR data.

High vanadium grades

The vanadium grade is particularly exciting. A majority of other companies' vanadium projects are working with grades of less than 1% V_2O_5. Currently, V_2O_5 prices vary around US$14,000/t, depending on purity of product (and other factors). At these prices, the V_2O_5 grade in the channel sample would represent substantial value on a per tonne basis.

With the other base metals (Pb,Zn,Cu) also included, this massive V-Pb-Zn-Cu mineralisation is potentially very valuable should the grades be representative of all such mineralisation at Kaskara.

Sabre believes that this weathered massive V-Pb-Zn-Cu mineralisation sits above primary Cu-Pb-Zn sulphide mineralisation located at depth. This interpretation is consistent with the results of the geophysical data collected to date.

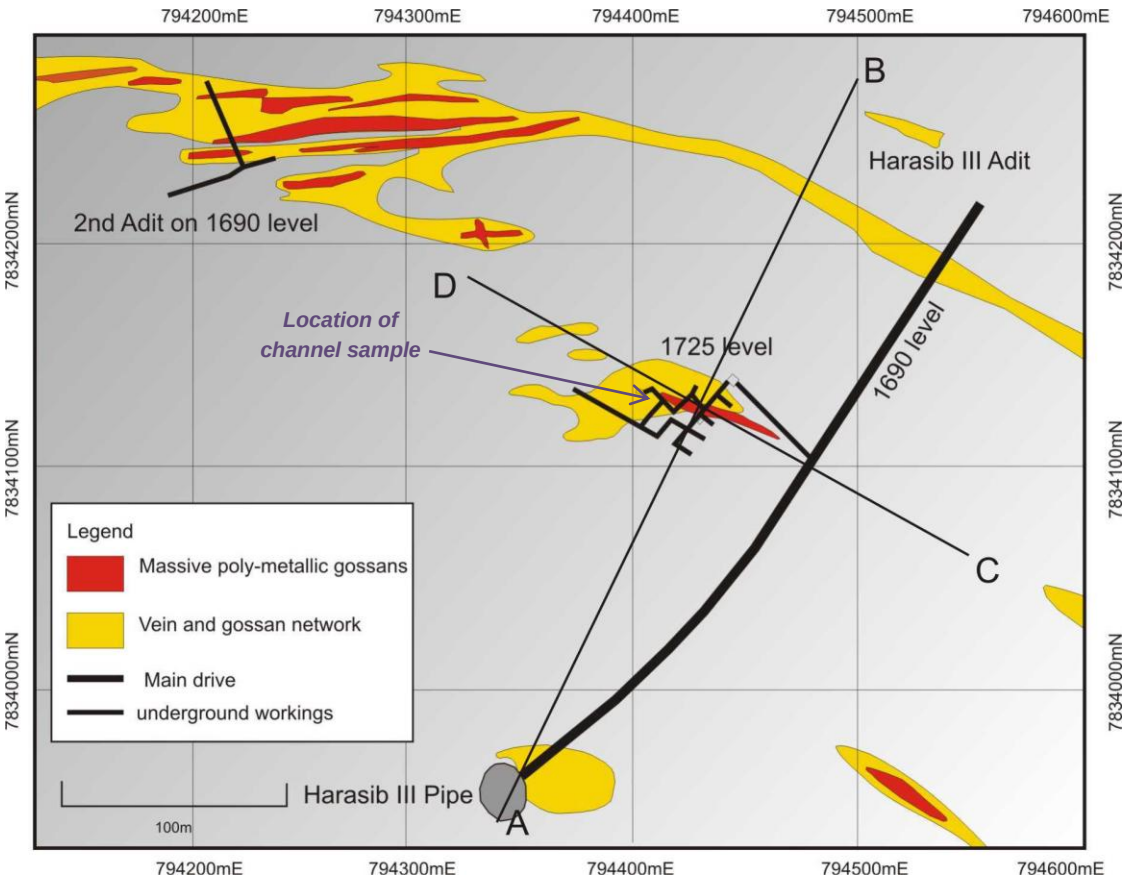

Figure 3 – Location of mine workings and surface mineralisation at Kaskara. A-B represents the line of the cross-section in Figure 6, and C-D represents the line of the longitudinal projection in Figure 7.

UNDERGROUND INVESTIGATIONS

Two levels were accessed at 30m below surface (1725 level) and 45m below surface (1710 level). Extensive massive mineralisation was encountered on both levels within a broader halo of moderate to strong vein network mineralisation. **No stoping has taken place and the levels are just small tunnels 1 m by 1.5 m.** This is very encouraging as most of the high grade material was left behind by historic miners.

The newly identified underground workings are situated directly below an outcropping surface gossan at Kaskara. This surface gossan has been subject to drilling (holes KKDD0026-0029).

Sabre has previously reported high grade mineralisation (KKDD0029, quoted above), but also reported broad zones of very poor return of samples from these drillholes. The effect of the poor return was to make assaying of these zones impossible.

We reported our interpretation that the oxidised mineralisation was far more extensive than indicated by the recovered drill samples, with its soft and seemingly soluble nature inhibiting reliable sampling by drilling. The mineralisation from the underground channel sampling directly coincides with the zones of poor core recovery in these drillholes.

This part of the mine, from which the channel sample was taken, was not previously known to exist. The only entry point was a narrow shaft which was overgrown and hidden by vegetation. Clearing of the area for road construction uncovered a very narrow shaft extending 30 m down from surface to the 1725 level.

Sabre secured the services of a rope climbing and caving expert and rehabilitated the narrow shaft to ensure safe access. We now know that the shafts extend about 100 m below surface.

Figure 4 – Channel sampling of massive V-Pb-Zn-Cu mineralisation (dark red-brown) exposed on the 1725 level.

The massive mineralisation occurs as a continuous sub-vertical shoot extending from surface (1755mRL) down past the 1710 level as observed in the wall of the access shaft. **The body appears to be thickening with, and is open at depth.** It starts at approximately two metres thick at surface and approaches ten metres true thickness at the 1725 level. A massive polymetallic gossan picked up in the surface mapping appears to be the surface exposure of this “ore shoot” (Figure 3). The halo of vein network mineralisation is the depth extention of the vein and gossan network (Figure 3) mapped at surface.

This mineralised shoot is only a small part of the mineralised system at Kaskara. Many massive polymetallic gossans and vein networks have been mapped at surface. For example, drillhole KKDD0025 through one of the other gossans approximately 250 m northwest intercepted **2.7m @ 4.30% V_2O_5, 10.45% Pb, 3.40% Zn, and 0.69% Cu** from surface.

The main shaft (Figure 1) and the drives have been rehabilitated and made safe so that a surveyor can enter the mine and provide survey control. The main shaft continues deeper beyond the level of the main adit at 1690mRL. Access to the lower levels of the mine will allow surveying, sampling and mapping to be safely completed.

Figure 5 – NQ drill rod and overshot discovered on the 1725 level. Semi massive V-Pb-Zn-Cu mineralisation can be observed in the walls and backs.

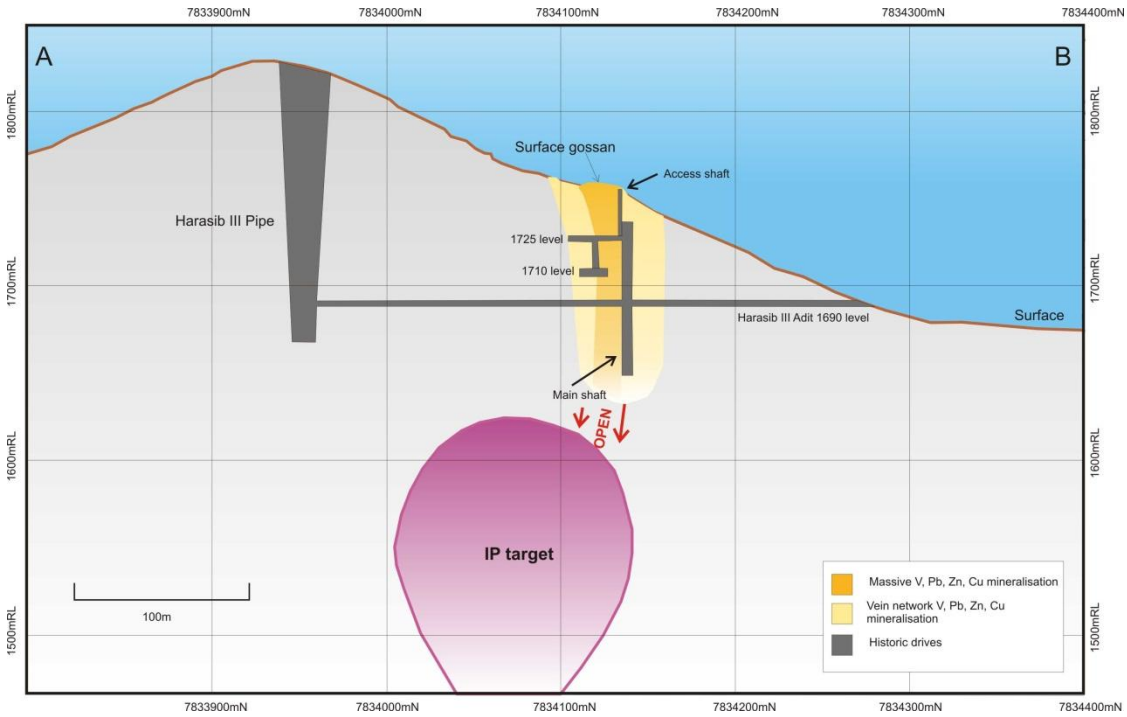

Figure 6 – Projected cross section of the Kaskara Mine. Note that the main adit and shaft are projected from up to 70 m off section, and the main mineralised zone is not intersected in the adit.

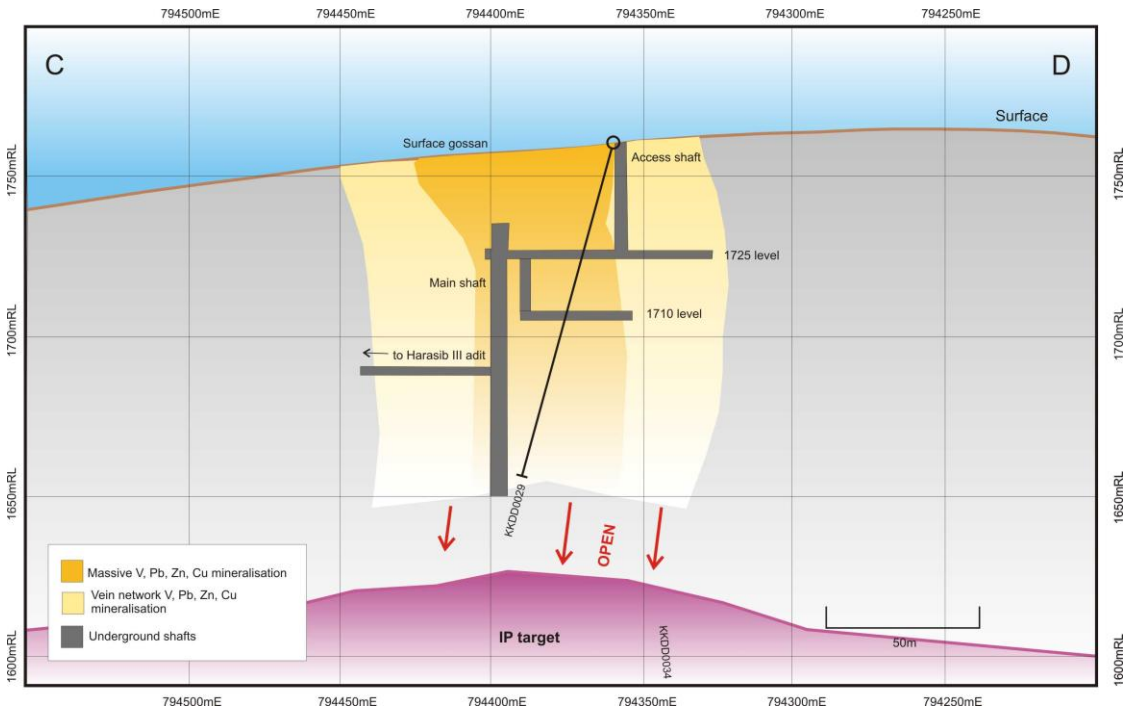

Figure 7 – Longitudinal projection of the Kaskara Mine. The entrance to the adit is out of the page, toward the reader.

Drill intercepts in the workings

Two of the bogged diamond rod strings from KKDD0028 and KKDD0029 were discovered inside the tunnels (e.g. Figure 5). In both cases, the rods were within the red vanadate mineralisation, which correlate directly to zones of extreme core loss.

This explains many of the drilling issues encountered so far, and has confirmed our suspicions that poor core return shows a strong correlation with the distribution of the secondary red vanadate mineralisation at Kaskara.

Both the soft nature of the mineralisation as well as the open spaces created by the historic workings have contributed to the problems encountered during drilling at Kaskara. Judging by the extent of the workings, it is likely that other drillholes intersected underground workings elsewhere.

Average core recoveries in the drilling have been less than 10% through this mineralisaed zone. We have now confirmed this zone to be massive V-Pb-Zn-Cu mineralisation. We now know that the unrecovered 90% of core was massive mineralisation that was washed away by the drilling process. We have no reason to believe this is not also the case for all of the drillholes showing poor core return at Kaskara.

Most of the drilling has been unsuccessful in returning a sample from the confirmed massive V-Pb-Zn-Cu mineralisation to date. Perhaps more importantly, it has failed to penetrate to the deeper levels of the mineralised system where a potential massive Cu-Pb-Zn sulphide position is interpreted. A strong IP anomaly which is coincident with the interpreted massive sulphide position also remains untested (Figures 1, 6 & 7). So although the problems with the drilling have been very frustrating, we can now confirm the potential of Kaskara to host a significant tonnage of high grade V-Pb-Zn-Cu mineralisation.

Given the difficulty in retrieving samples with drilling, it is likely that the most reliable way in which to initially sample the mineralisation is to explore, access and sample all of the workings at Kaskara and then drill from underground or from surface using RC or sonic drilling.

THE NEW MINERALISATION IN CONTEXT OF THE KASKARA SYSTEM

Figures 1, 6 and 7 show the relationship of the sampled mineralisation to the Kaskara system. The massive V-Pb-Zn-Cu mineralisation encountered at surface, in drilling, and underground is deeply weathered secondary mineralisation. At other deposits in the region, this style of mineralisation occurs above fresh primary sulphide mineralisation at depth. The identification of IP anomalies below this secondary mineralisation is regarded as the topmost portion of such sulphide mineralisation at Kaskara.

Kaskara shows a number of features characteristic of the major deposits of the region, such as Tsumeb, including the following:

- Outcropping, locally high-grade mineralisation;
- Outcropping disseminated sulphide mineralisation;
- A broad, strong soil geochemical anomaly;
- Location on a deviation in a major fault system;
- Geophysical anomalies at depth (Figures 1, 6, and 7);
- Deep penetrative weathering in a region of otherwise shallow weathering (Figures 6 and 7); and
- Secondary copper-lead-zinc vanadate minerals (Figures 4 and 5) indicative of primary copper-lead-zinc sulphide mineralisation at depth.

The target at Kaskara (Figure 8) is a **copper-lead-zinc sulphide orebody at depth**, overlain and supplemented by significant **non-sulphide V-Pb-Zn-Cu orebodies at and near surface**.

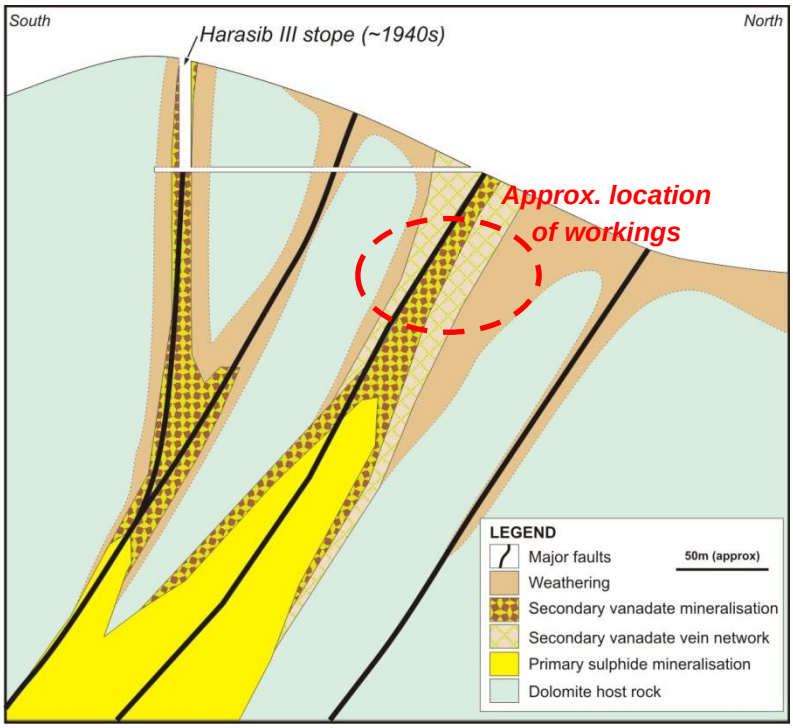

Figure 8 – Diagrammatic section showing the expected relationships between the secondary mineralisation (sampled here) and the expected primary mineralisation at depth.

FURTHER WORK AT KASKARA

Sabre is very excited by its discovery at Kaskara. The Company intends ongoing priority testing, sampling and drilling at Kaskara to delineate the extent and grade of mineralisation. Both the overlying weathered massive V-Pb-Zn-Cu mineralisation and the potential primary copper-rich (Cu-Pb-Zn) sulphide mineralisation believed to be below the weathered zone will be targeted.

For further information regarding the Company's activities, please contact:

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Or consult our website: www.sabresources.com

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 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.

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.

About Sabre Resources Ltd

Sabre's primary focus is the exploration and development of the Ongava Multi-Element Project in Namibia. Our licence contains more than 30 known copper, lead, zinc and vanadium occurrences, ranging from grass-roots prospects such as the Kaskara copper-lead-zinc play, through unmined deposits such as the Border and Driehoek lead-zinc deposits, to historic mine sites such as Harasib Claims and Uitsab. Gallium, germanium, silver and gold, are also highly prospective.

Based in Perth, Australia, Sabre will build value for shareholders through the definition of JORC compliant resources in this metal-rich region. Extensive exploration, management and corporate experience are combined in a lean company structure that aims to provide maximum return to shareholders.