

29 October 2007

The Manager
Company Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

1. ONGAVA BASE METAL PROJECT, NAMIBIA



The company acquired the Ongava Base Metal project during the September quarter.

The project is located in the Otavi Mountain Land, in the northeast of Namibia (see left). The Otavi Mountain Land (OML) hosts a wealth of mineral deposits, including the renowned Tsumeb and Kombat copper mines, as well as the historic Berg Aukas (zinc), Guchab (copper) and Abenab (vanadium) mining operations (see Figure 1).

The Ongava project covers approximately 800 square kilometres of highly mineralised carbonate stratigraphy and hosts more than 22 known base metal prospects, as well as the lead-zinc deposits at Border, Driehoek and Harasib (see Figure 2).

A review of the public domain data available for the project indicates that exploration to date has been limited, with little drilling outside the main deposit and prospect areas. The project is highly prospective for 'world-class' strata-bound zinc, lead, copper and vanadium deposits.

LOCATION & LOGISTICS

Namibia is located in southwest Africa and is bounded by the Atlantic Ocean to the west and South Africa to the south. It is one of the most politically stable and well-developed countries in Africa, with excellent infrastructure and government policy designed to promote investment in mining and exploration. Namibia is currently rated amongst the top ten countries in the world in which to undertake both mining and exploration*.

The Ongava Base Metal project is located approximately 350 km to the northeast of the capital of Namibia, Windhoek. The project is accessed from Windhoek via the main sealed highway that runs north to the mining town of Tsumeb.

Logistically the project is very well situated, being close to Weatherly International's recently refurbished base metal mining & smelting operations at Tsumeb, as well as reticulated power and rail services. The project occupies a strategic position in the Otavi Mountain Land and



covers much of the 'Tsumeb Triangle', defined by the nearby mining towns of Tsumeb, Otavi & Grootfontein. (See Figure 1).

*See 'Resource Stocks' magazine, September 2006.

EXISTING BASE METAL DEPOSITS

The Ongava project hosts three major lead-zinc-silver deposits, namely Driehoek, Harasib and, most significantly, Border.

BORDER

The Border Lead-Zinc deposit is located approximately 35 kilometres to the southeast of Weatherly's Tsumeb mining & smelting operations. A review of the public domain data has generated an exploration target at Border of more than

12 Million Tonnes grading at between 5 and 6% combined Lead & Zinc*

*The potential quantity and grade of the Border deposit 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 Etosha Petroleum Ltd.

Etosha Petroleum Ltd ('Etosha') discovered the Border Lead-Zinc deposit during the late 1960's as a result of regional soil sampling. A northeast trending lead-zinc-copper soil anomaly, covering more than a kilometre of strike, was identified at Border coincident with weakly bedded and brecciated dolomite stratigraphy. The anomaly is masked by increasing cover to the north and remains open along its southern strike extent.

Diamond drilling identified three parallel lead-zinc lodes that extend over the entire strike length of the soil anomaly. These lodes can be traced to the surface, with the true width of the mineralised lodes varying between 2.4 metres and 21 metres. These lodes often contain higher-grade intercepts, which assay **at over 10% combined lead & zinc**. Drilling has resulted in intersections such as

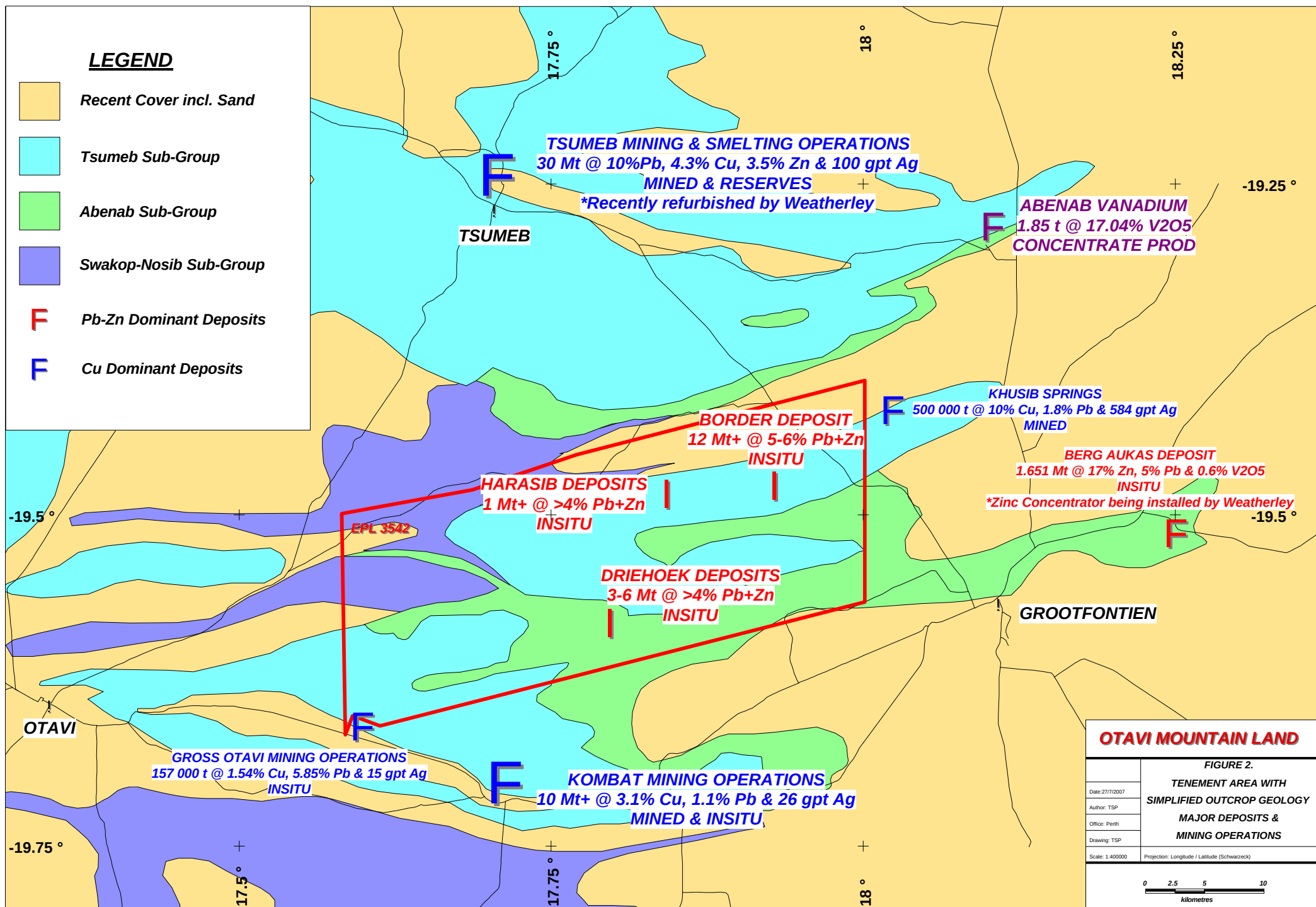
B 002	18.90 metres @ 11.18% Pb+Zn	from 80.47 metres
Including	6.71 metres @ 19.77% Pb+Zn	from 80.47 metres
B 016	11.00 metres @ 15.92% Pb+Zn	from 87.17 metres

In the 1970's it was standard practice to extract mineral deposits through underground mining methods. In the case of the Border deposit, Etosha planned its drilling and exploration around a 'bulk underground mining' scenario. A result of this style of mining is that much of the near-surface mineralisation, from surface to around 50 metres depth, could not be mined and therefore mineralisation above this level was not included in the deposit tonnage calculations. Modern open-pit mining techniques will allow this near surface material to be mined, and will immediately result in significant upgrades to the overall tonnage of the Border deposit.

Resource Potential

The current exploration target at Border is already a major deposit but shows significant potential for increased tonnage both at depth and along strike. Etosha also noted that their drilling showed an increase in the lead-zinc grade of the deposit at depth, as well as the increased presence of copper mineralisation.

The deposit appears to be highly amenable to open-pit mining, with mineralisation extending to the surface. The inclusion of the ore in this 'near-surface' environment, combined with drilling of the deposit along strike and at depth, indicates that the





deposit has the potential to be far larger than the initial exploration target. Etosha postulated that an exploration target **in excess of 30 million tonnes** was potentially insitu at Border.

Exploration and resource definition remain at an early stage, with the potential for large increases in both tonnage and grade. The Border project will be the initial focus of the company's exploration with a view to bringing the current exploration target into JORC compliance.

DRIEHOEK

The Driehoek Lead-Zinc deposits are located approximately 15 kilometres to the north of the Kombat copper mine and 18 kilometres to the southwest of the Border deposit. A review of the public domain data has generated an initial exploration target at Driehoek of

3-6 Million Tonnes grading at over 4% combined Lead & Zinc*

*The potential quantity and grade of the Driehoek deposits are conceptual in nature as Sabre has determined that insufficient exploration data is currently available 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 provided by Goldfields of Namibia Ltd.

Eland Exploration ('Eland') discovered Driehoek in the 1970's as a result of regional soil sampling. Initial soil sampling delineated a number of lead-zinc, copper & manganese anomalies associated with a folded dolomitic unit, with some **surface samples assaying at over 10% combined Lead & Zinc**.

Goldfields of Namibia Ltd ('Goldfields') later delineated the Driehoek deposits in the 1990's, concentrating on the North, East and South Zones of the prospect. Drilling has resulted in intersections such as

DDH 75-18	40.00 metres @ 8.57% Pb+Zn and 9.30 gpt Ag from 1.00 metre
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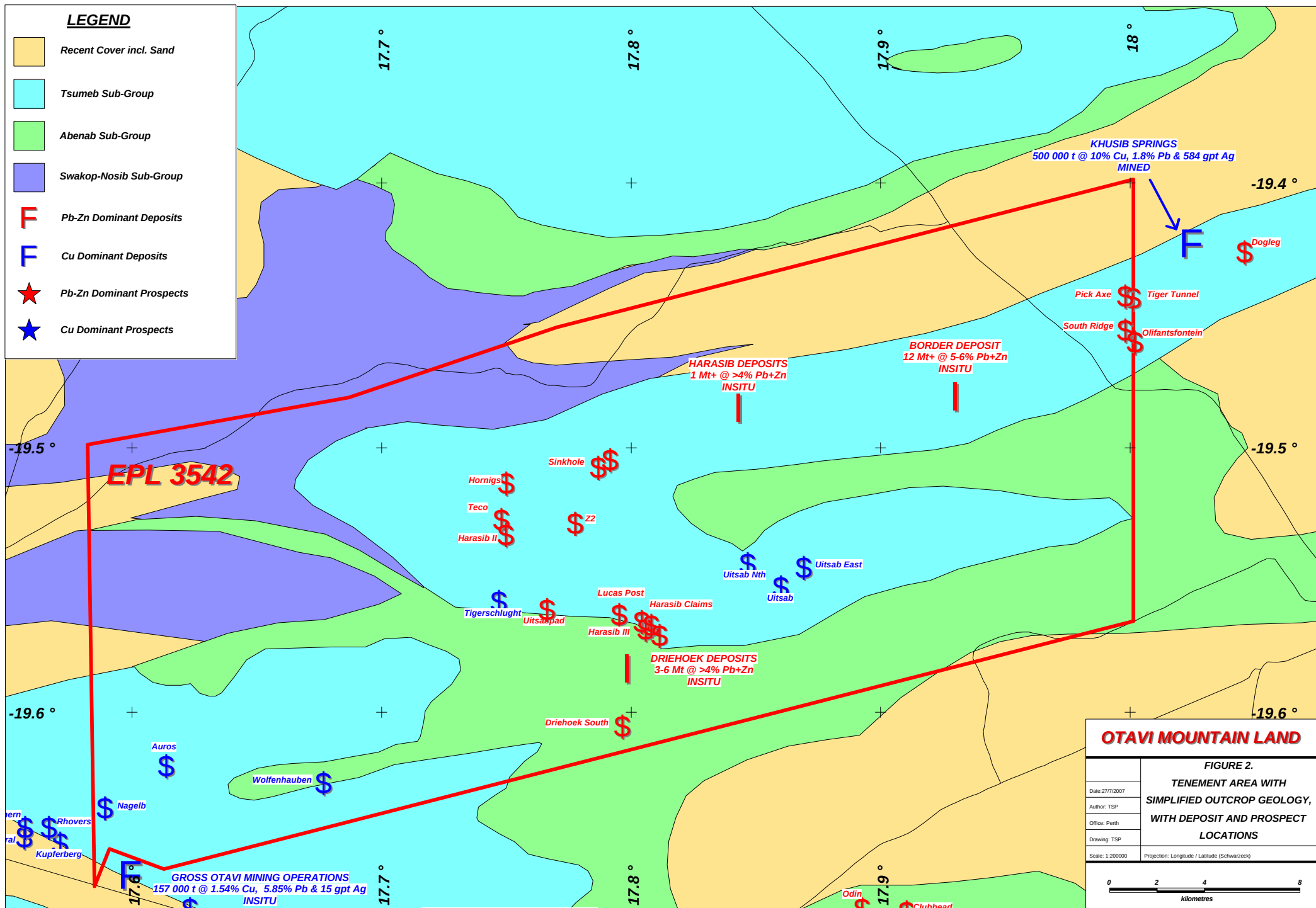
Resource Potential

Drilling by Eland & Goldfields has defined three near-surface deposits of base metal mineralisation. These deposits were reported in detail by Goldfields, but are currently considered to be 'pre-JORC'.

The initial exploration target at the North & East Zones of Driehoek is reported as being in excess of **3 million tonnes, with a combined grade for lead and zinc of over 4%**.

Goldfields included the internal waste blocks in their calculations, which has diluted the overall grade of the deposit while increasing its tonnage. An initial geostatistical evaluation of the Driehoek deposits indicates that if modern practice, in accordance with the JORC code, were to be followed increases in grade could be expected, with little effect on the overall tonnage of the deposits. Evaluation and drilling will be required to bring these deposits into JORC compliance.

Estimates of the size of the Driehoek deposits are limited by the depth of the existing drilling, which only extends to **approximately 60 metres** below surface. The mineralised lodes show good continuity from surface and remain open at depth. Surface soil sampling shows the anomalism extending along strike to the northeast into the 'Gauss' prospect, which is also in the project area, but remains untested by drilling.





An evaluation of the Driehoek deposits indicates that they are highly amenable to open pit mining. The ore system potentially has very low strip ratios and remains untested both at depth and along strike.

Preliminary analysis indicates that a targeted drilling programme has the potential to rapidly increase the mineralised inventory for the deposits to well **over six million tonnes**.

HARASIB

The Harasib prospects occur along the western strike extensions of the Border deposit. Harasib is composed of a number of small deposits, with a review of Goldfield's exploration data generating an exploration target at Harasib of more than

1 Million Tonnes grading at over 4% combined Lead & Zinc*

*The potential quantity and grade of the Harasib deposits are conceptual in nature as Sabre has determined that insufficient exploration data is currently available 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 provided by Goldfields of Namibia Ltd.

Goldfields investigated the Harasib deposits in the 1990's and reported a number of shallow lead-zinc deposits occurring in close proximity. The Harasib deposits have only been drilled to **approximately 50 metres depth**.

The Harasib prospect requires detailed investigation, with all relevant data yet to be received from the Geological Survey of Namibia. Harasib appears to have been subjected to only limited exploration and has the potential to host significant deposits.

REGIONAL EXPLORATION POTENTIAL

A review of the exploration data available for the Ongava base metal project shows that it has received only limited exploration outside the main deposit areas. The exploration undertaken on the project area largely dates back to the 1970's, aside from the limited programme carried out by Goldfields in the 1990's.

The stratigraphical and structural continuity shown by the various styles of mineralisation within the project area indicate that there is strong potential to expand the known deposits and for finding further significant economic mineralisation.

The Ongava project hosts two main styles of base metal mineralisation in more than 22 reported mineral occurrences:

Berg Aukas-Type Lead-Zinc Mineralisation

Lead-Zinc mineralisation is found throughout the carbonate stratigraphy of the Tsumeb Sub-Group within the Ongava project area. There have been a number of prospects defined to date that require further exploration, including **Tunnel, Pick Axe, South Ridge, Sinkhole, Teco, Uitsabpad & Lucas Post**.

Tsumeb-Type Copper-Lead-Zinc Mineralisation

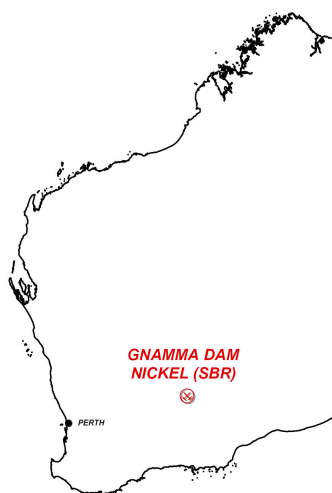
Copper-Lead-Zinc mineralisation is found throughout the carbonate stratigraphy of the Abenab Sub-Group within the Ongava project area. There have been a number of prospects defined to date that require further exploration, including **Wolkenhauben, Tigerschlucht & Uitsab**.

These targets are highly prospective but require detailed evaluation prior to commencement of the forthcoming exploration programme. Sabre is currently acquiring all of the public domain and historic exploration data, which will then be utilised for targeting and resource definition studies.

For further information on base metal mineralisation in Namibia see:

<http://www.mme.gov.na/gsn/basemetals.htm>

2. GNAMMA DAM NICKEL PROJECT, WESTERN AUSTRALIA



The project comprises 14 Prospecting Licences (P25/1766-1775 and P25/1783-1786) covering a total of 20 square kilometres in the Bulong area east of Kalgoorlie WA. The prospect area covers Archaean mafic, ultramafic and felsic volcanic rock types as well as sedimentary suites, comprising the Bulong Greenstone Belt.

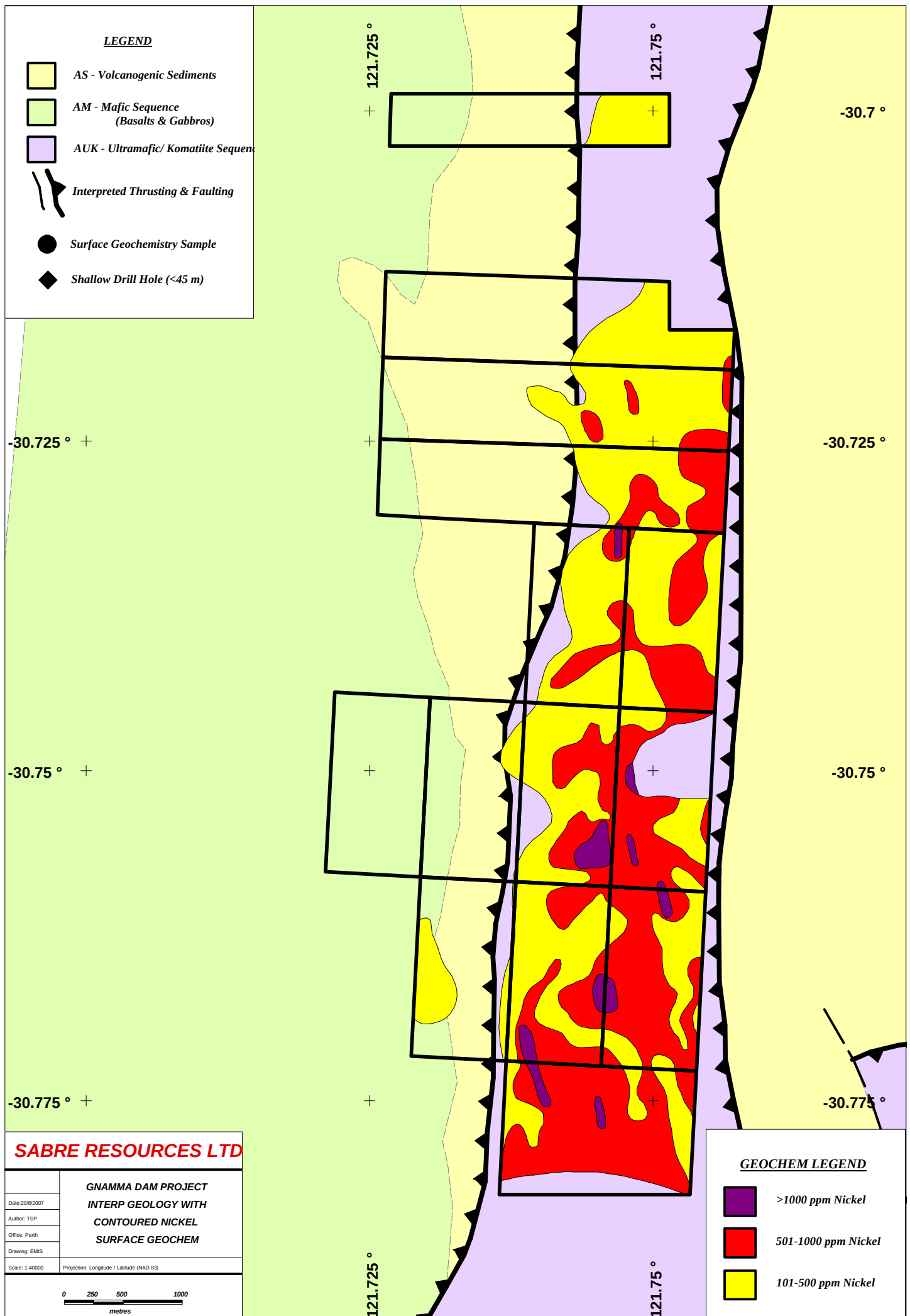
Nickel potential in the ultramafic units has been previously recognised and evidence of sulphides has been observed in the outcropping stratigraphy, however little significant exploration for this commodity has been carried out in the recent past.

The Company has conducted a soil sampling programme, ground magnetics and detailed geological mapping that provided encouraging anomalous nickel horizons in close correlation with elevated chrome values.

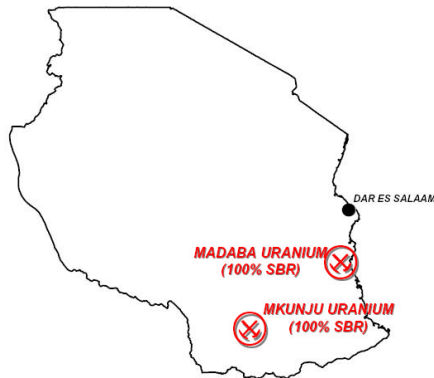
A significant number of soil samples reported values at a level higher than twice the median range. These values are considered as being anomalous. The anomalous nickel values are apparently confined to the western contact zones of the magnetic high regions, which are considered to be the basal part of the ultramafic units adding further significance to the anomalies; there are also coincident copper anomalies associated with these nickel values.

The geological environment is not dissimilar to that found along strike, to the southwest, where the Duplex Hill & Blair nickel sulphide deposits are found. Exploration for this type of deposit within the project area has been limited to date, however future exploration will include RAB & RC testing of a number of coincident nickel-copper surface geochemical anomalies, in particular a number of anomalies that are associated with gossanous outcrops in the southern tenement area.

Evaluation of the project area continues with a number of geochemical anomalies requiring drill testing (See GD Figure 1).



3. URANIUM PROJECTS, TANZANIA



In September 2005 the company acquired a 100% interest in three uranium prospective properties totaling 381km² in the Lindi and Ruvuma Regions of Southern Tanzania.

Two of the licences, PLR 3323/2005 and PLR 3324/2005, form the Mkunju group whilst the third licence PLR 3447/2005 represents the Madaba Project.

The two Mkunju licences totalling 246km² are located in southern Tanzania, some 460 kilometres southwest of Dar es Salaam, near the southern boundary of the Selous Game Reserve. The licences are proximal to the Mkuju River Project currently being explored by OmegaCorp Limited. Adjoining licence holders include Uranium Resources PLC and Pan African Mining Corp.

The 135km² Madaba licence is situated near the northern boundary of the Selous Game Reserve about 260km to the south of Dar es Salaam.

The Mkunju and Madaba licence areas were part of the focused search area for uranium between 1978 and 1982 by a German company Uranerzbergbau GMBH (UEB). The exploration initiative commenced in 1976-1979 when the Government of Tanzania contracted Geosurvey International Company to carry out a systematic airborne survey of the whole country to ascertain the geology and uranium mineralisation potential. Total magnetic field and radiation intensity data were collected using spectrometry, EM and magnetics. From this work, UEB defined six areas of interest and staked large areas with prospecting licences, to field check the geophysical anomalies.

No detailed work was undertaken on the areas covered by the Mkunju and Madaba licences. However the licences are located adjacent to and proximal to areas of detailed exploration by UEB and their discovered uranium occurrences.

Uranium in the district is within a favorable geological setting, being associated with fine to medium-grained sandstone and siltstones of the Upper Carboniferous to lower Jurassic, Karoo system. By the end of 1979 a total of 78 airborne anomalies were investigated by UEB on the ground, of which 16 areas contained visible mineralisation at the surface within an area of 10 x 10 km and over an elevation interval of 220 m. The uranium occurrences of southern Tanzania within the Karoo have been compared to the sandstone uranium deposits in the Colorado Plateau area of Western USA.

PLR 3323/2005 and PLR 3324/2005 expired during the last quarter and subsequently new applications have been lodged with the Tanzanian government over these areas. These tenements are yet to be granted.



Yours faithfully,

Norman Grafton
Company Secretary
Sabre Resources Ltd

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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, Mineral Resources or Ore Reserves is based on information compiled by Timothy Putt of Exploration and Mining Information Systems, who is a member of The Australasian Institute of Geoscientists. Mr. Putt 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". Timothy Putt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.