

BORDER RESOURCE EXCEEDS 16 MILLION TONNES

- A maiden high-tonnage, moderate-grade JORC compliant inferred mineral resource has been calculated for the Border Deposit of:
16.2 Mt @ 2.12 % Pb+Zn and 4.76 g/t Ag (1.25 % Pb+Zn cut-off).
 - ▶ Over 31 Mt at a 0.5 % Pb+Zn cut-off.
- Over 343,000 t of contained lead and zinc metal (1.25 % cut-off).
- Mineralisation is easily upgraded and treated, and responds exceedingly well to beneficiation by dense media separation.
- Initial high-level scoping study shows the deposit can be economically viable.
- Low-cost open pit mining.
- Border and the Pavian Trend, together with Driehoek, potentially constitute a number of large tonnage, moderate grade resources which can be easily mined and treated through a centrally located processing plant.

THE BORDER ZINC-LEAD-SILVER DEPOSIT

The Border Zn-Pb-Ag Deposit (Figure 1) is one of a series of similar deposits scattered along Sabre's 20 km long Pavian Trend in northern Namibia (Figures 2 & 3). It is the first of what is expected to be a series of the Pavian Trend deposits to have a JORC resource calculated by Sabre. The Company sees Border as a key part of a future series of high-tonnage, moderate-grade Zn-Pb-Ag mines feeding a centrally located processing plant.

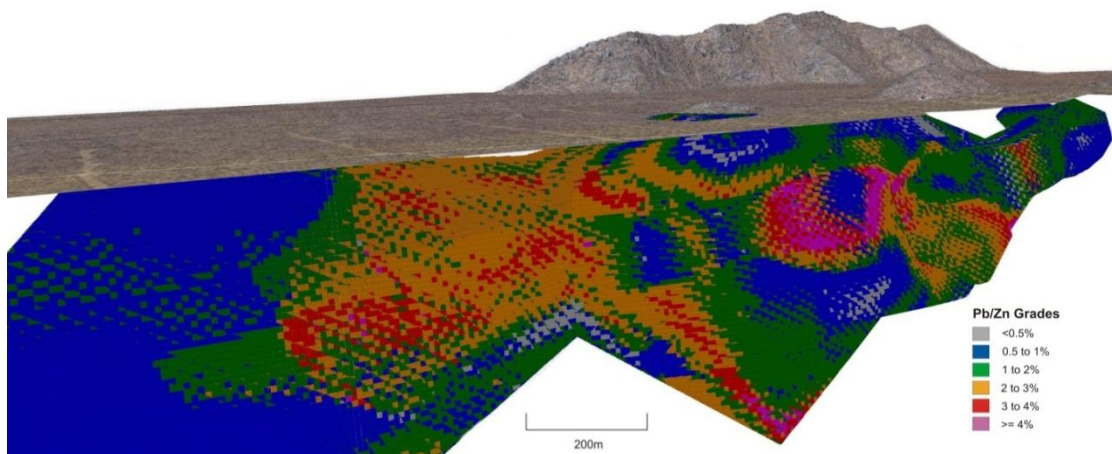


Figure 1 – Oblique view of the resource block model for the Border Zn-Pb-Ag deposit

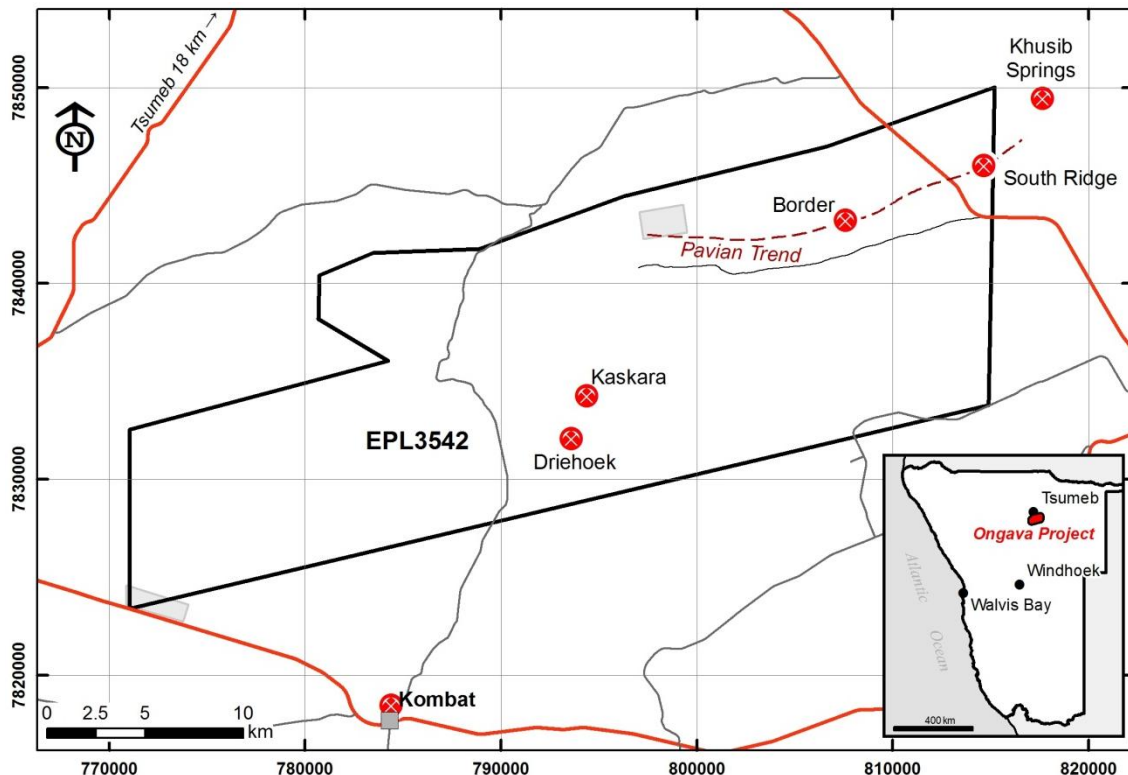


Figure 2 – Location of the Border Pb-Zn deposit and Sabre's other projects in the Otavi Mountain Land of northern Namibia.

Border inferred mineral resource estimate

Sabre Resources' maiden inferred mineral resource estimate for the Border Deposit is:

16.2 Mt @ 2.12 % Pb+Zn (1.53 % Zn and 0.59 % Pb) and 4.76 g/t Ag,

when reported at a 1.25% Pb+Zn cut-off grade. The mineral resource estimate increases to **31.4 Mt @ 1.50 % Pb+Zn (1.10 % Zn and 0.40 % Pb) and 3.37 g/t Ag** when reported at 0.5 % Pb+Zn cut-off grade.

Table 1 – Border 2011 Mineral Resource Estimate

Resources			Metal Grade			Contained Metal		
Category	Cut off (%)	Tonnage (Mt)	Zinc (%)	Lead (%)	Silver (g/t)	Zinc (t)	Lead (t)	Silver (Moz)
Inferred	0.5	31.4	1.10	0.40	3.37	346,000	127,000	3.4
Inferred	1.25	16.2	1.53	0.59	4.76	248,000	95,000	2.5

The inferred mineral resource estimate is based on a nominal 0.5% Pb+Zn wireframe cut-off with a maximum internal dilution of five metres. Grade was interpolated using an inverse distance weighting squared (IDW²) technique.

Border is a modified Mississippi Valley-Type (MVT) deposit that consists of galena (lead) and sphalerite (zinc) mineralisation within dolomitic host rocks. No pyrite or any other sulphides are present, and weathering is almost non-existent. The deposit dips at 60° to the north, stretches along strike for 2,430 m, extends for up to 390 m beneath surface (with the bulk of the tonnage and grade within 150 m of surface), and varies between 10 m and 85 m thick (25 m average thickness).

Exceedingly good results from metallurgical and beneficiation test work, and positive results from an initial, high-level scoping study meant that the Company could pursue a higher tonnage, lower grade

resource than was initially envisaged and than would otherwise have been possible. The results of these studies are described below.

Metallurgical testwork

Sabre has completed detailed metallurgical test work on the Border deposit. The test work was undertaken based on the possibility that the mineralisation might respond well to upgrading by dense media separation (DMS), thereby greatly reducing mineral processing costs. The test work was a great success.

The beneficiation tests show exceptional upgrading of the ore, producing in excess of 80 times the original lead content, and around 37 times the original zinc content when DMS is followed by grinding and flotation. Final **concentrate grades are around 65 % lead and 61.5 % zinc** (from an ore grading 0.77 % Pb and 1.66 % Zn), with final recoveries of 86.9 % and 81.7 % respectively.

Table 2 – Summary of the results of beneficiation testing of Border ore

Process	Lead	Zinc
<i>1 - Original sample (head assay)</i>		
Grade (2.43% Pb+Zn):	0.77 %	1.66 %
<i>2 – Dense media separation (sinks and fines)</i>		
Product grade:	6.3 %	12.5 %
Enrichment factor (from 1):	8.2 times	7.5 times
Recovery (from 1):	92.5 %	86.0 %
<i>3 - Grind and float</i>		
Product grade:	63-69 %	61-62 %
Enrichment factor (from 2):	~10 times	~5 times
Recovery (from 2):	94-95 %	~95 %
<i>Process Summary</i>		
Overall enrichment (from original):	~82 times	~37 times
Overall recovery (from original):	86.9%	81.7 %

The optimised test results are as follows;

- At a coarse 12.5 mm crush size approximately 83 % of the mass can be rejected by DMS
- Within the remaining 17 % grades are 6.3 % Pb (for 92.5 % recovery) and 12.5 % Zn (for 86 % recovery).
- At a relatively coarse optimum grind size of 150 microns, good separation is achieved to produce lead and zinc cleaner concentrates
- A lead cleaner concentrate grade of 65 % Pb was achieved, recovering 94.5 % of the lead.
- A zinc cleaner concentrate grade of 61.5% Zn was achieved, recovering 95% of the zinc

In summary, after DMS and flotation 81.7 % of the total zinc and 87.8 % of the total lead and 89 % of the total silver can be expected to be recovered. Most importantly for the economics of the project, only 17 % of the mined ore would require milling and flotation at a relatively coarse grind size of 150 microns.

Scoping studies

Results of the mineral resource estimate, metallurgical testwork and industry research were used to commence a high level scoping study on the Border Deposit. Initial results of the scoping study are very positive. The findings indicate that the Border deposit is profitable in its own right. Sabre

envisages that the Border deposit in conjunction with other deposits on the Pavian Trend (such as South Ridge), and the Driehoek deposit will be used to feed a centrally located plant built on the Pavian Trend to treat all ore.

Several open pit scenarios are being considered for mining at Border, ranging between 500,000 tonnes per annum (tpa) and 2 million tpa. For a 1 million tpa mine, key findings from the Border high level scoping study are as follows:

- The value of the potential ore is around \$US45/t^{*}
- The average direct mining costs are estimated at around \$US10/t potential ore[†]
- Mineral processing costs are estimated at around \$US6/t potential ore
- All metal royalties amount to 3%

Note that these figures are preliminary in nature and may vary by $\pm 30\%$, as is the nature of such high-level scoping studies.

SIMILAR DEPOSITS IN SOUTHERN AFRICA

The Pering Zn-Pb Mine in the Northern Cape Province of South Africa shows many similarities to Sabre's Border Deposit. Operated by Shell South Africa and BHP Billiton from 1988 to 2003, output over the life of mine was **20.4 Mt @ 0.58 % Pb and 2.58 % Zn**. The mining **cut-off was 1.1 % Pb+Zn**. Like Border, Pering is considered to be a Mississippi Valley-Type (MVT) deposit, hosted by dolomite sequences.

The example of the Pering Mine shows that moderate-grade, high-tonnage MVT deposits can be economically viable, profitable assets in southern Africa. Sabre believes that Border, with additional tonnages from Driehoek and other deposits to be defined along the Pavian Trend, will be a significant lead and zinc producer in the Otavi Mountain Land.

FURTHER WORK AT AND AROUND BORDER

Further work at the Border Deposit will include:

- Infill drilling of the higher-grade portions of the deposit. This aims to increase the grade of the deposit and upgrade the resource category.
- Further drilling at Irvington at the western end of the deposit, to investigate areas in which the deposit remains open.
- More detailed scoping of the Border deposit as a hub for a plant to process similar ore sourced from the Company's other deposits of the region (e.g. Driehoek, other deposits of the Pavian Trend).

In the vicinity of the Border Deposit, the other prospects on the Pavian Trend will undergo more intense exploration, with trenching and pilot drill programmes planned for South Ridge and the Toggenburg Plains (Figure 3). A start date for this drilling will be weather-dependant, with the rainy season likely to abate in March/April.

^{*} Prices used for calculation are at a 5% discount to metals prices listed on the London Metals Exchange on 18/1/2012. The actual values used in the calculation are Zn: US\$1870/t, Pb: US\$1960/t, Ag: US\$28/oz.

[†] Mining cost of ore is calculated from the general mining cost per tonne (~\$3.80 per tonne) and the strip ratio (here a nominal 1.65:1 based on the geometry of the deposit).

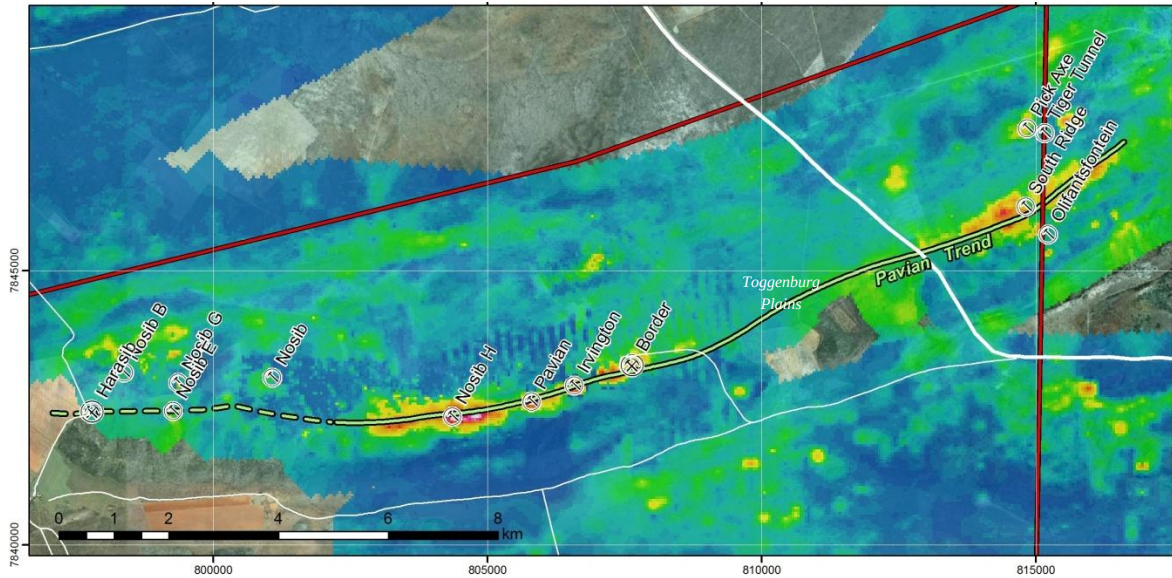


Figure 3 – The central and eastern portions of the Pavian Trend, extending 20 km and including many deposits and prospects. Soil geochemistry for Pb+Zn illustrates the extent of the trend, with warmer colours representing high values.

SUMMARY

In summary, Border and the Pavian Trend together with Driehoek potentially constitute a large tonnage, moderate grade resource which can be easily mined and treated.

The project has available to it water, power and a rail line to port (approximately 20 km from Border) as well as established infrastructure (in the form of roads, telephone, etc.). This, combined with the simple mineralogy and consequent easy and inexpensive processing of the ores, will enable high tonnage, moderate grade, multi-pit operations throughout the Ongava Project area.

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

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Or consult our website:

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Competent Persons Declarations

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 Metals Australia 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 Metals Australia 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

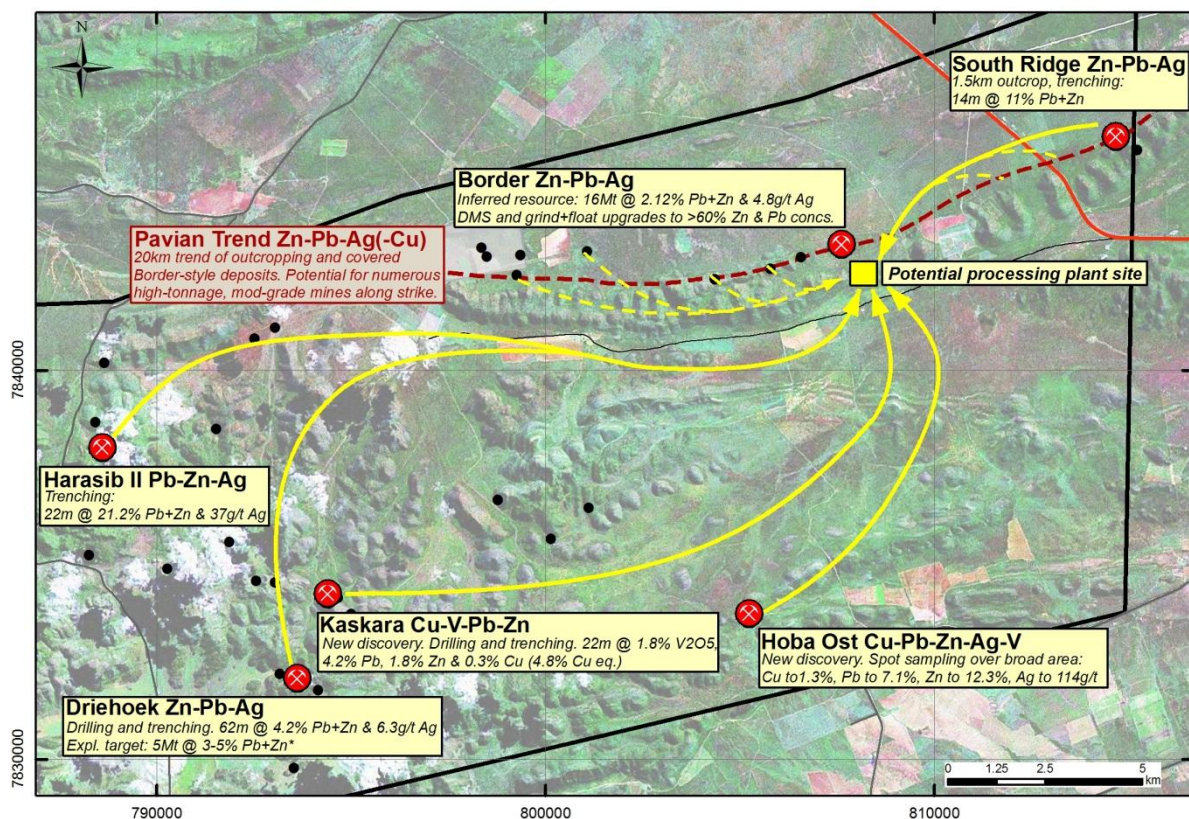
Sabre's primary focus is the exploration and development of the Ongava Polymetallic Project. The project is located in the world-class metallogenic province of the Otavi Mountain Land in northern Namibia, historically a globally important source of copper, lead, zinc and vanadium. The province is presently undergoing a renaissance with the work of Sabre and others in the region.

Our Ongava Polymetallic Project contains more than 30 known copper, lead, zinc and vanadium occurrences, including the Kaskara copper-lead-zinc-vanadium discovery, unmined deposits such as the Border and Driehoek lead-zinc deposits, and historic mine sites such as Harasib Claims and Uitsab. Gallium, germanium, silver and gold, are also highly prospective.

The Zn-Pb-Ag deposits of Sabre's Pavian Trend form a series of similar deposits along 20 km of strike. Border is the first of the Pavian Trend deposits to have a JORC resource calculated by Sabre. The Company is aiming for series of high-tonnage, moderate-grade Zn-Pb-Ag mines, from the Pavian Trend and from further afield, feeding a centrally located processing plant.

Concurrently, the copper potential will be realised through further exploration of Kaskara, Hobas Ost, and the surrounding areas. Kaskara represents an outstanding opportunity for Sabre, showing all of the hallmarks of a major Tsumeb-style deposit.

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.



Sabre's concept of a centrally-located plant using feed from an array of mines throughout the project area.

* At this stage, the potential quantity and grade of the Driehoek zinc-lead deposit is conceptual in nature, as Sabre has determined that insufficient work 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 was based upon deposit calculations undertaken by Goldfields Namibia Ltd.