

1 June 2012

Dear Shareholder,

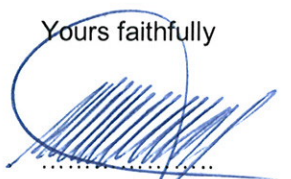
**Notice of General Meeting of Sabre Resources Ltd
to be held on 28 June 2012:**

As advised in our letter of 30 May 2012, which accompanied the Notice of General Meeting, the Company commissioned a tenement report in relation to the Otavi Valley Base Metals Project.

Enclosed is a copy of that report prepared by Lorentz Angula Inc. Attorneys, Notaries and Conveyancers of Windhoek, Republic of Namibia.

We look forward to seeing you at the meeting

Yours faithfully



.....
Norman Grafton
Company Secretary

IN RE

GAZANIA NINE (PROPRIETARY) LIMITED

MINERAL RIGHTS REPORT



LorentzAngula Inc.

ATTORNEYS, NOTARIES & CONVEYANCERS

3rd Floor, LA Chambers, Ausspahn Plaza, Dr Agostinho Neto Street, Windhoek, Namibia
Tel: +264 61 379 700 | Fax: +264 61 379 701
info@lorentzangula.com

To:

- (1) **SABRE RESOURCES LIMITED**, registration number (ACN 003 043 570), a company incorporated under the laws of Australia, having its principal place of business at Level 1, 8 Parliament Place, West Perth, Western Australia, Australia.

Dear Sirs,

LEGAL REPORT

1. GENERAL

- 1.1 We, **Lorentz Angula Inc**, Attorneys, Notaries & Conveyancers of 3rd Floor, LA Chambers, Unit 4, Ausspahn Plaza, Dr Agostinho Neto Road, Windhoek, Republic of Namibia ("**Lorentz Angula Inc.**" or "**we**") have been requested to provide this report (the "**Report**") to Sabre Resources Limited (the "**Addressee**") in relation to Gazania Investments Nine (Proprietary) Limited ("**Gazania Nine**") and the currency and legal validity of a certain mineral licence held by Gazania Nine in the Republic of Namibia ("**Namibia**").
- 1.2 More specifically, we have been requested to address this Report to the Addressee in connection with exclusive prospecting licence EPL 3540 (the "**Licence**").
- 1.3 This Report has been prepared for provision to the shareholders of the Addressee in relation to the approval to be sought under resolution 1 of a notice of a general meeting of the Addressee dated 10th May 2012, for the Addressee to purchase all the issued capital of Starloop Holdings Pty Ltd (ACN 156 425 455) ("**Starloop**"). Starloop holds 80% (eighty percent) of the issued capital of Gazania Nine.
- 1.4 The writer of this Report is an Attorney and Notary Public admitted to legal practice in Namibia in terms of the *Legal Practitioners Act, 1995*, is in good standing with the Law Society of Namibia and is a member and director of Lorentz Angula Inc.
- 1.5 Lorentz Angula Inc. is a company incorporated in Namibia in terms of the provisions of the *Companies Act, 1973* and the *Legal Practitioners Act, 1995*, conducting a legal practice in Namibia.
- 1.6 We provide this Report as independent legal counsel, duly mandated by the Addressee.



2. METHODOLOGY AND BACKGROUND

Methodology

2.1 For the purposes of providing this Report, we employed the following methodology:

2.1.1 We examined originals or copies, as the case may be, of the following records and documents (hereinafter referred to as the "**Documents**") of Gazania Nine:

The Mineral Licence

(1) copy of exclusive prospecting licence EPL 3540;

Miscellaneous

(2) copy of the cover page of a document termed "*Renewal Application for an Exclusive Prospecting Licence*", dated 29th July 2011 in respect of exclusive prospecting licence EPL 3540.

2.1.2 On the 29th May 2012, we were provided with an excerpt from the Register of Mineral Licences for Gazania Nine dated 28th May 2012.

Further Background

General

2.2 In terms of section 51 of the *Minerals Act, 1992*, the Mining Commissioner is required to keep a Register of Mineral Licences. The Register of Mineral Licences only exists as a computer database at the Ministry, which can be inspected and from which printouts can be made. In practice, searches conducted on the Register of Mineral Licences are effected by the officials in charge printing extracts thereof in relation to specific holders of mineral licences. Past experience has shown that the Register of Mineral Licences is not always in all respects accurate. In terms of section 123 of the *Minerals Act, 1992*, an extract from the Register of Mineral Licences, certified by the Mining Commissioner to be true and correct, shall, unless the contrary is proved, be conclusive evidence of the facts mentioned therein. It follows that the *Minerals Act, 1992* does not warrant the correctness of the Register of Mineral Licences, as contrary proof is allowed and admissible. The Mining Commissioner does not invoke the provisions of section 123 and does not, in terms of the current practice, regularly certify an extract from the Register of Mineral Licences. However, the Mining Commissioner regards the Register of Mineral Licences as self-validating.



- 2.3 In providing our report regarding the Licences, our point of departure was an examination of the mineral licence documents provided to us either in original or in copy. We then proceeded to compare the information in these original licence documents with the information contained in the Register of Mineral Licences and further information (such as renewal applications) made available to us. Inasmuch as we found discrepancies between these documents and the information gathered from the Register of Mineral Licences, as set out in the printout, we have made requisite comments under the section "*Comments*". Where the documents inspected by us did not contain the required information, we solely relied on the information obtained from the excerpt received from the Register of Mineral Licences.

Duration of Exclusive Prospecting Licences

- 2.4 In terms of section 71 of the *Minerals Act, 1992*, exclusive prospecting licences may be granted and issued for an original period not exceeding three years, and may subsequently be renewed for not more than two periods of two years each. No further renewals are possible unless the Minister deems this desirable in the interests of the development of the mineral resources of Namibia.
- 2.5 Sections 72 (3) and 72 (4) of the *Minerals Act, 1992* limit the Minister's powers to refuse renewal of an exclusive prospecting licence. By way of a generalized summary, the Minister may not refuse the renewal of an exclusive prospecting licence if the licence holder has complied with all the terms and conditions of the exclusive prospecting licence, has complied with the prospecting program, and expended the agreed expenditure.
- 2.6 In terms of section 71 (3) of the *Minerals Act, 1992*, exclusive prospecting licences shall not expire during a period during which an application for the renewal of such licence is being considered, until such application is refused, is withdrawn or lapses.
- 2.7 In terms of section 72 of the *Minerals Act, 1992*, the holder of an exclusive prospecting licence shall on the first renewal application be required to relinquish 25% (twenty five percent) of the original licence area, and shall on any subsequent renewal application be required to relinquish a further 50% (fifty percent) of the licence area existing on the date of such application.

3. ASSUMPTIONS AND QUALIFICATIONS

Assumptions

- 3.1 In providing this Report, we have assumed:
- 3.1.1 the genuineness of all signatures on all Documents considered by us for the purposes of this Report;



- 3.1.2 all signatures on the Documents are signatures of the persons they purport to be;
- 3.1.3 the authenticity, completeness and conformity to originals of all Documents submitted to, or examined and considered by us in copy;
- 3.1.4 the accuracy and completeness of the official records maintained by the Ministry of Mines and Energy;
- 3.1.5 the accuracy and completeness of Documents provided to us by or on behalf of Gazania Nine;
- 3.1.6 there are no Documents other than those referred to in this Report, which have a bearing on or affect the matters to which this Report relates;
- 3.1.7 that where the Documents impose any duty or obligation on a party, that each party to such Documents has duly complied with the provisions, terms and conditions of the relevant Documents, more specifically, that Gazania Nine has, in respect of the Licence, duly complied with any and all of the provisions of the *Minerals Act, 1992*, and that Gazania Nine is not in breach of any of its statutory or other obligations, terms and conditions applying to the Licence.

Limitations and Qualifications

- 3.2 This Report is provided subject to the following limitations and qualifications:
 - 3.2.1 This Report has been prepared by us in accordance with instructions by the Addressee and was not prepared by us with the intention of addressing any other issues or matters which may be of interest to anyone else. Accordingly, this Report is prepared solely for the Addressee, and we do not accept a duty of care to any person other than the Addressee in connection with the subject matter of this Report.
 - 3.2.2 This Report may not be quoted or referred to, or used or relied upon by any person other than the Addressee.
 - 3.2.3 This Report may not be reproduced, copied, circulated or quoted without our prior written consent. If any persons other than the Addressee obtain a copy of this Report (or any part of it) they do so on the basis that they acknowledge and accept that (i) they may not rely on it for any purpose whatsoever, (ii) Lorentz Angula Inc. has a duty of care only to the Addressee, and (iii) this Report is confidential in nature and that the recipient is obliged not to disclose any of its content or any information derived therefrom.



- 3.2.4 This Report is to be construed in accordance with Namibian law and our liability in respect of this Report is to be governed by Namibian law to the exclusion of any other laws.
- 3.2.5 Information contained in this Report is given with reference to the date on which we conducted our relevant searches, as referred to herein.
- 3.2.6 We have no duty to the Addressee to update this Report beyond its date of issue.
- 3.2.7 We express no opinion with respect to the laws of any jurisdiction other than Namibian law, or in relation to any documents which may be subject to or governed by the law of any other jurisdiction. Therefore our review of documents not governed by Namibian law, if any, has been from a common sense perspective and has assumed the applicability of general legal principles similar to those of Namibian law.
- 3.2.8 By accepting receipt of this Report, the Addressee acknowledges and agrees to all assumptions, limitations and qualifications contained and set out herein, and agree to be bound by and observe and comply therewith.

4. REPORT

As on the date hereof, based on the aforesaid examinations, inspections and methodology, but subject to (1) the general assumptions, limitations and qualifications set out hereinbefore, and (2) any specific qualifications and further comments set out hereinafter, we opine as follows:

The Licence

- 4.1 Gazania Nine is the legal holder of the Licence referred to hereinafter, which, in our opinion, is valid and existing as at the date hereof. Further details as to the Licence referred to in this Report are as follows:

EPL 3540

Type of Licence	Exclusive Prospecting Licence
Number	14/2/1/4/2/3540
Holder	Gazania Investments Nine (Proprietary) Limited *



Minerals	Base and Rare Metals, Dimension Stone, Industrial Minerals and Precious Metals
Status	Pending
Commencement	30 th October 2009
Expiry	29 th October 2011
Region	Otjozondjupa
Division	B
District	Grootfontein
Comments	* This licence was originally issued in the name of Starting Right Investment Sixty Seven (Proprietary) Limited, registration number. According to the licence, the company changed its name to Oshivela Mining (Pty) Ltd and the licence was subsequently, on 7th September 2011, transferred to Gazania Investments Nine (Proprietary) Limited, the current holder. ** A renewal application for this licence was lodged on 29th July 2011, but has not yet been granted. Consequently, this licence is reflected as pending, but will remain valid until the application for renewal has been withdrawn or is refused.

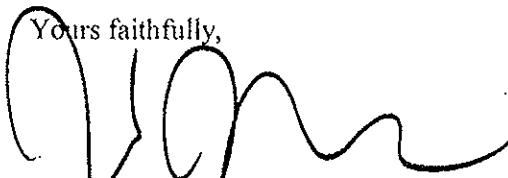
- 4.2 In an interview with Mr Alex Clemen, who acted for and on behalf of Gazania Nine, we were informed that Gazania Nine had at no stage received any notices, communications or other indications from the Ministry of Mines and Energy to the effect

that the application for the renewal of the Licence been refused or that its status from being pending had changed.

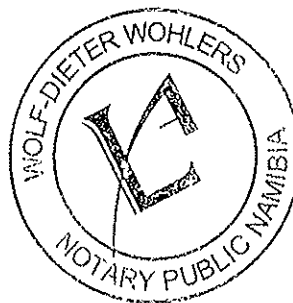
- 4.3 We annex hereto a copy of a print-out received from the Register of Mineral Licences, obtained from the Ministry of Mines and Energy on 28th May 2012, marked Annexure "A".

Dated Windhoek this 29th May 2012.

Yours faithfully,



W. WOHLERS
Attorney and Notary Public
LORENTZ ANGULA INC.
Attorneys, Notaries & Conveyancers
3rd Floor, LA Chambers
Unit 4, Ausspahn Plaza
Dr Agostinho Neto Road
Windhoek
REPUBLIC OF NAMIBIA



Licences held by: Gazania Investments Nine (Pty) Ltd

Type Number	Mineral	Status	Share	Issue	Expiry	Region	Div.	District
EPL 14/2/1/4/2/3540	Base and rare metals, Industrial minerals and Precious stones	Pending	100.00%			Otjozondjupa	B	Grootfontein
EPL 14/2/1/4/2/3869	Base and rare metals, Dimension stone and Industrial minerals	Refused	100.00%			Erongo	G	Swakopmund

