

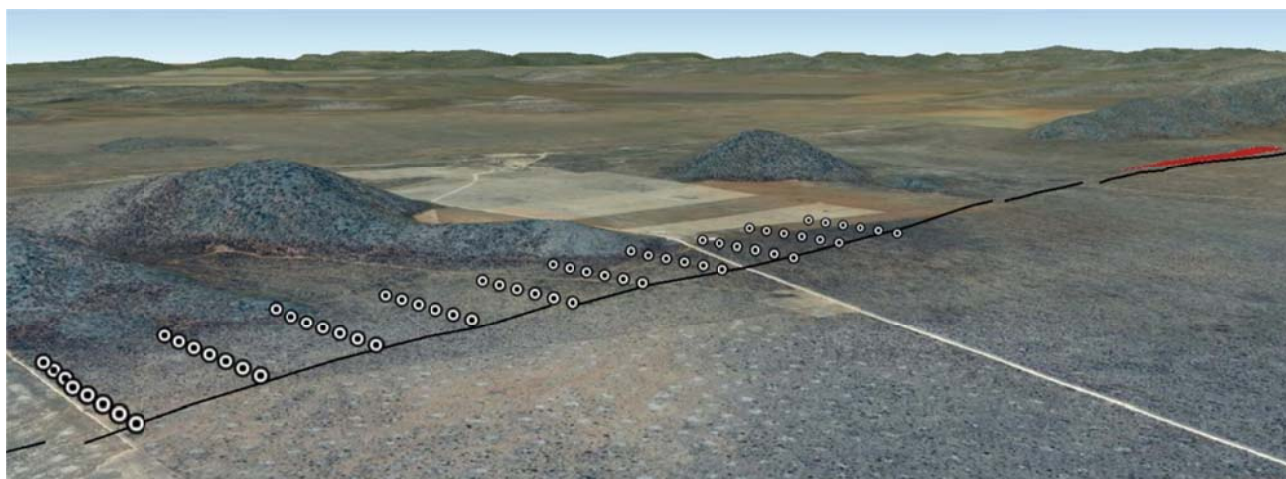
**ASX ANNOUNCEMENT**

**11 February 2015**

**ZINC-LEAD MINERALISATION DISCOVERED  
BENEATH COVER AT TOGGENBURG**

**HIGHLIGHTS**

- **Shallow geochemical RC drilling program identifies visible sphalerite and galena mineralisation beneath thin cover at Toggenburg.**
- **Strong and extensive zinc-lead anomalies defined at Toggenburg and are supported by other indicator metals.**
  - ▶ **Values up to 2.33% Zn+Pb in the near-surface depleted zone.**
  - ▶ **Coherent anomalism defined in excess of 1.8 km strike length.**
  - ▶ **Strongest anomalism still open to the east.**
  - ▶ **Overburden is shallow, usually less than 5 m deep.**
  - ▶ **Anomalism is present both in bedrock and overburden.**
- **Mineralisation follows the interpreted position of the reactivated T4/T5 contact which controls mineralisation at the Border deposit 4 km to the west.**
- **Zinc and lead geochemical results at Toggenburg are higher than equivalently shallow samples from the Border deposit.**
- **Extension to the shallow drilling program to start after the wet season.**



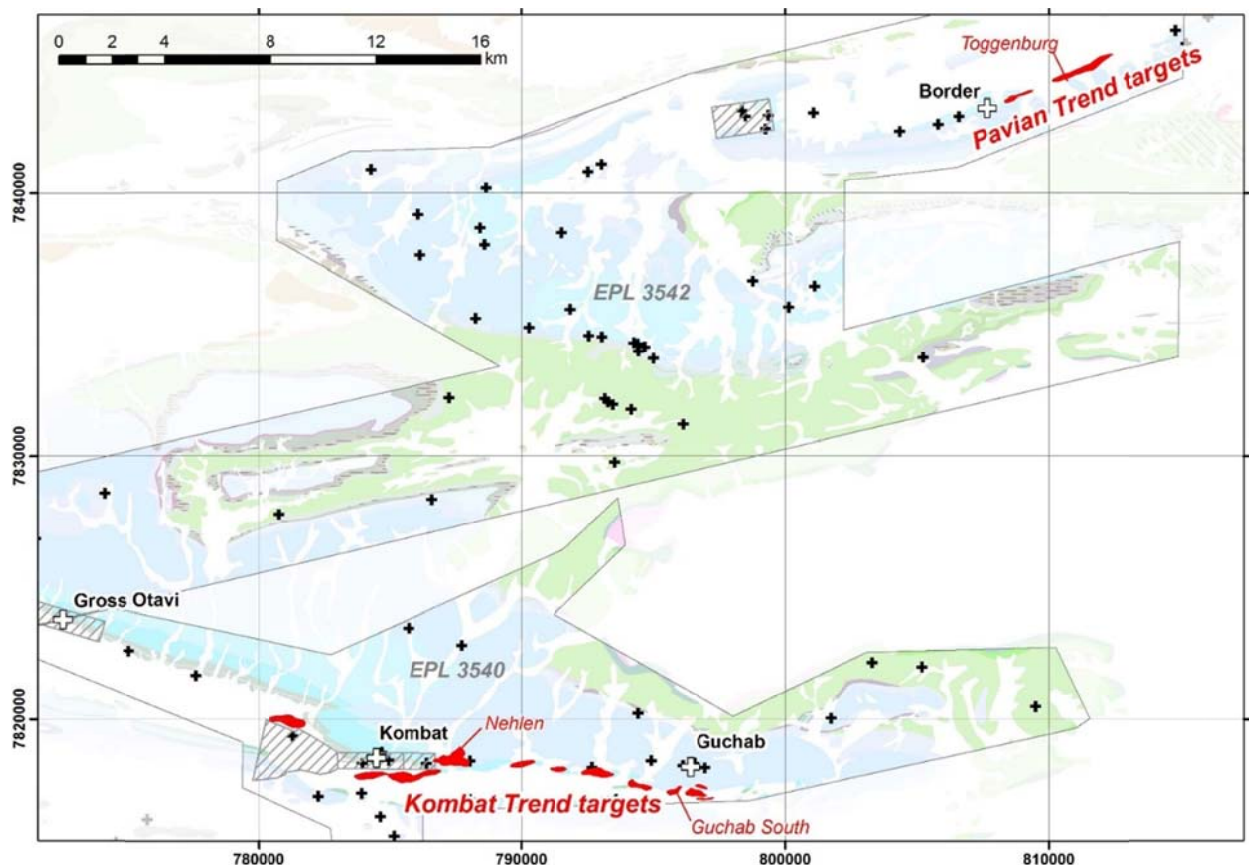
**Figure 1** – The Toggenburg drill program, looking southwest, showing the collar locations of 64 recently completed drill holes (circles). Drill spacing is 200x50m. Also shown is the T4/T5 contact (black line) and the location of the Border zinc-lead deposit (red).

Zinc and lead sulphide mineralisation has been discovered beneath shallow soil cover over an extensive area at Toggenburg, to the east of the Border zinc-lead deposit (Figure 1). The Toggenburg discovery is an extension of Sabre's Pavian Trend of outcropping and buried zinc-lead mineralisation.

### Metal distributions at Toggenburg

Metal distributions, both within the regolith and the uppermost bedrock, were plotted for Toggenburg, East Border, and Border. Coherent anomalism is present for at least 1,800m strike length in the Toggenburg target area, with Zn+Pb values at percentage grades at several locations. Notably, the zinc+lead response over Toggenburg is significantly stronger than in the uppermost bedrock at Border.

These results validate Sabre's exploration model for zinc and lead and confirm the regional metallogenic significance of the Pavian Zinc-Lead Trend, on which both Border and Toggenburg are located.



**Figure 2** – Targets (red) for the first phase of the regional geochemical RC drilling program are all located beneath surface cover. All targets on the Kombat Trend are copper targets and both targets on the Pavian Trend are zinc-lead targets. Known outcropping prospects, occurrences, deposits and mines are shown as black crosses.

### Geochemical RC drilling program

Drilling at Toggenburg was undertaken as part of Sabre's geochemical RC drilling program which is currently underway in the Otavi Mountain Land.

The program is testing 12 high priority copper targets on the Kombat Copper Trend and 2 high priority zinc-lead targets on the Pavian Zinc-Lead Trend. These high-priority undercover targets have been delimited using proprietary models defined from numerous geological, geophysical, and geochemical

datasets. The targets are considered to represent likely areas for the discovery of shallowly concealed, significant copper and zinc-lead deposits.

The first phase of drilling at Toggenburg comprised shallow reverse circulation (RC) drilling on a regular 200 x 50 m grid through overlying sand and silt and into the uppermost bedrock. In total, 64 holes were drilled. Drilling typically penetrated around 2 m into bedrock, providing samples from the overlying regolith and the oxidised depletion zone in the dolomite.

## **Rationale**

The rationale behind drilling the Toggenburg target is as follows:

- Toggenburg is directly along strike from the Border Zn-Pb deposit.
- Elevated soil geochemical anomalism is present over much of the target area.
- Detailed tracking of the faulted T4/T5 contact using Sabre's regional magnetics defined its approximate location beneath the plains.
- The lowlands of the Toggenburg Plains represent a topographic anomaly on the Pavian Trend, which is predominantly a prominent ridge line that runs for around 20 km.

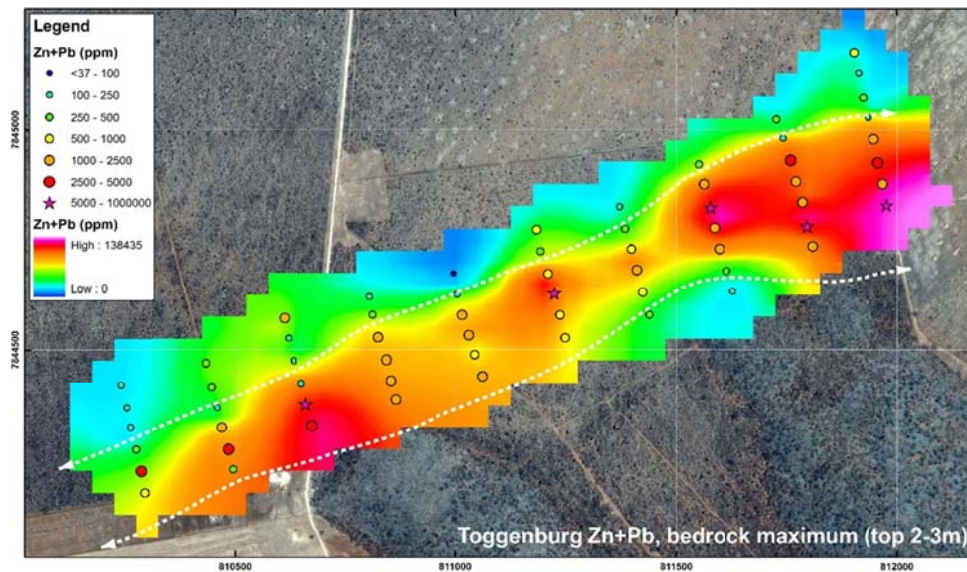
In addition to these points, the Toggenburg area has never been explored previously. These features, amongst others, highlighted the prospectivity of the area in light of the Company's models for zinc-lead mineralisation in the OML.

## **Methodology**

RC drilling penetrated unconsolidated cover material and around 2 m of the underlying bedrock. RC chips were analysed using a portable x-ray fluorescence (portable XRF) analyser. Values obtained are directly comparable to one another, hence are a useful and cheap way to define metal distributions in regolith and bedrock for exploration purposes. However, these values are not as accurate as laboratory XRF analyses and, whilst indicative, may not define absolute values accurately. These pXRF results will not and can not be used to define any future resource at Toggenburg.

## **Results**

Results from the shallow geochemical RC drilling show distinct, coherent anomalism in the regolith and the bedrock at Toggenburg (Figure 3Figure 4). Elevated Zn-Pb values extend the full 1800 m strike of the drill program and are open to the east and west. Anomalism is pronounced over a 200 m thickness, varying from 100 m to 300 m, along most of its strike length.



**Figure 3** – Zn+Pb anomalism for bedrock at Toggenburg. Zn+Pb values are highest at the eastern end of the program, where further drilling is required. White dashed lines demarcate the approximate position of the Zn-Pb mineralisation

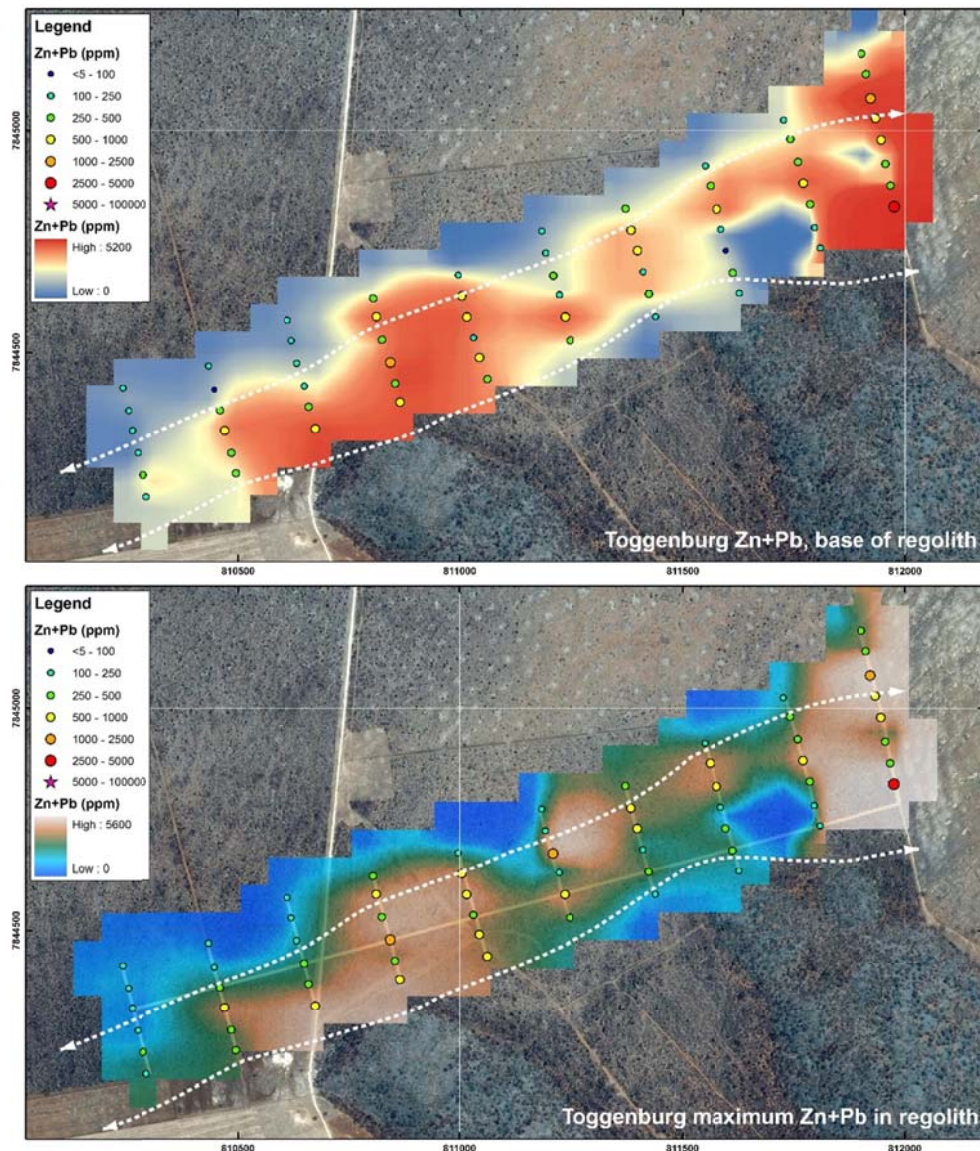
### **Bedrock anomalies**

Values obtained by portable XRF analyses of bedrock chips show summed zinc and lead totals as high as 2.3 % (Figure 3). Such values are significant because metal values obtained near the top of the bedrock are likely to be depleted by oxidation and weathering, as is seen at Border deposit. Results show a marked increase in zinc and lead values towards the eastern end of the survey (Figure 3).

Importantly, peak zinc and lead values in bedrock from Toggenburg are higher than those values in the same depletion zone over the Border deposit. That the equivalent results from Toggenburg are stronger than those at Border is highly encouraging. It is expected that, as at Border, grades will increase with depth below a near-surface depletion zone.

Similar patterns are exhibited for copper and manganese, which are useful tracer elements for zinc-lead mineralisation. Vanadium shows a strong concentration in the east, unlike anywhere else yet detected on the trend. This may indicate the presence of late-stage overprinting vanadium mineralisation in the subsurface that is not evident elsewhere on the Pavian Trend.





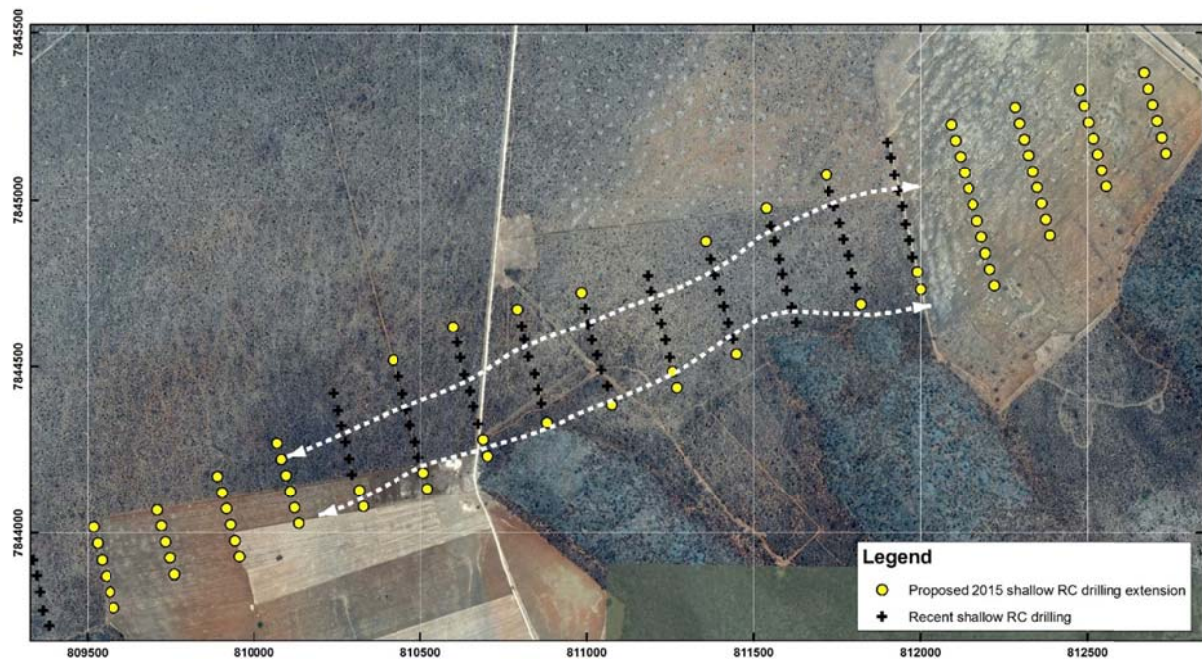
**Figure 4** – Zn+Pb anomalism for base of regolith (top) and maximum in regolith (bottom) at Toggenburg. Note the similarities in the distributions and with those in bedrock (Figure 3). Zn+Pb values are highest at the eastern end of the program, where further drilling is required. White dashed lines demarcate the approximate position of the Zn-Pb mineralisation

### **Regolith anomalies**

Importantly, the regolith anomaly patterns mirror those of the bedrock (Figure 4). This is important because bedrock metal distributions can be quite nuggety, as depicted at Border to the west, whereas regolith values more likely depict the overall metal distribution in the bedrock (though at significantly lower levels).

### **Further work at Toggenburg**

These early results at Toggenburg support the Company's belief that zinc-lead mineralisation is present beneath the Toggenburg Plains to the east of the Border deposit. This first phase of drilling has partially demarcated a zone of enriched zinc and lead values which is open to the east in particular. Further shallow geochemical drilling is required to track the anomalism further eastwards and to delimit its extent to the west and to the north and south on some lines. 77 shallow drillholes are proposed to fully test anomalism beneath cover at Toggenburg (Figure 5).



**Figure 5 – Proposed extension to the Toggenburg shallow geochemical RC drilling program.**

Extensions to the shallow drilling program will need to wait until the end of the wet season (around March or April) due to access difficulties on the black soil plains when wet. Extension of the program to the east will occur after harvesting of the crops currently growing in the area. This is likely to be around May.

Deeper drilling is required at Toggenburg to test the strength and depth extent of the mineralisation.. The details of this program will be finalised after the remaining shallow drilling has been completed and all the results are assessed. It will comprise a series deeper drillholes to determine the extent and orientation of zinc-lead mineralisation in the subsurface. Such a program, if successful, will be a precursor to a resource drillout program.

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

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**Or consult our website:**

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

**Competent Person Declaration**

The information in this report that relates to Exploration Results is based on information compiled by Dr Matthew Painter who is a full-time employee of Sabre Resources Ltd, and 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 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.