



## COMPANY RELEASES

### **Sabre Resources to acquire 70% interest in major lead-zinc project in Namibia for A\$13m**

Thursday , 02 Aug 2007

#### **KEY POINTS**

- ✓ **Acquisition of all issued capital of Link National Pty Ltd, holder of a 70% interest in highly prospective Ongava base metal project in Namibia;**
- ✓ **Consideration for acquisition is A\$13m (cash/scrip);**
- ✓ **Independent valuation of project is A\$90M (with Sabre share A\$63M)**
- ✓ **Project area covers 800 km<sup>2</sup> of the Otavi Mountain Land, including THREE insitu lead-zinc deposits and more than TWENTY TWO lead-zinc-copper-vanadium prospects;**
- ✓ **The insitu Lead-Zinc deposits at project represent an exploration target in excess of 16 million tonnes, grading at more than 4.5% combined Lead & Zinc, and;** ✓ **Significant opportunity to undertake exploration in a highly prospective base metal province, which has historically hosted a number of 'world-class' base metal ore bodies, including the Tsumeb & Abenab mines;**

Australian exploration and development company Sabre Resources Ltd ("Sabre" or "the company") has entered into an agreement to acquire 70% in the highly prospective exploration tenement EPL 3542 known as the Ongava base metals project (Ongava project) located in northeastern Namibia (refer Fig 1), for a total consideration of A\$13m (cash/scrip). Independent geologist Malcolm Castle has recently valued this project at A\$90m, with the 70 per cent share held by Sabre valued at A\$63m.

The Ongava project covers approximately 800km<sup>2</sup> of highly mineralised carbonate stratigraphy in the Otavi Mountain Land (OML). The 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.

The project is well serviced by roads, power and rail services and lies less than 35 kilometres to the southeast of Weatherley International's Tsumeb smelter, which processes base metal concentrates from all over southern Africa. The lead-zinc mineralisation within the deposit areas starts from surface and has yet to be extensively explored. Sabre Resources Exploration Consultant, Tim Putt, believes the company is fortunate to have acquired such a highly prospective project in a nation that is committed to the development of world-class resources projects.

"The Ongava project occupies a strategic position within the Otavi Mountain Land, a province that already hosts a number of 'world-class' base-metal deposits. Until recently, depressed metal prices have resulted in very little exploration being carried out in the Ongava area," Mr Putt said.

"The mineralisation in the deposit areas is 'open' in all aspects, and a large number of prospects require drill testing. The style of strata-hosted base-metal deposits found in the Otavi's include some of the largest in the world, such as the world's largest lead-zinc mine at McArthur River in Queensland. "Namibia is one of the most politically stable and well developed countries in Africa, with its governments policy designed to promote investment in mining and exploration. It is currently rated amongst the top ten countries in the world in which to undertake both mining and exploration, and we look forward to working with the Namibian government in the development of this project."

## **ONGAVA PROJECT OVERVIEW**

The Ongava Base Metal project is located approximately 350 km to the northeast of Windhoek, the capital of Namibia. 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 Weatherley 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.

The Ongava project hosts three undeveloped lead-zinc deposits, Driehoek, Harasib and Border, which have a 'global' exploration target **in excess of 16 million tonnes, grading at more than 4.5 % combined lead & zinc**. In addition to these deposits, more than 22 lead-zinc-copper targets have been identified for follow up exploration.

### **1. BORDER**

The Border Lead-Zinc deposit is located approximately 35 kilometres to the southeast of Weatherley'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**

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.

### **2. 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**

### **3. 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**

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

### **1. Berg Aukas-Type Lead-Zinc Mineralisation**

### **2. Tsumeb-Type Copper-Lead-Zinc Mineralisation**

These targets are highly prospective but require detailed evaluation prior to commencement of the forthcoming exploration programme.

Sabre is currently undertaking a detailed review and compilation of data in both the public domain and existing company records to expedite drill targeting and resource definition. Sabre's priority will be to bring the known deposits into compliance with JORC and then to begin extensional drilling. In addition, a number of regional copper-lead-zinc targets will be drill tested for the first time.

## **TECHNICAL EXPERTISE FOR PROJECT DEVELOPMENT**

Sabre has assembled an experienced exploration team in Namibia under the supervision of director Alex Clemen. Mr. Clemen has more than 20 years of mining & exploration experience, having worked for a number of international companies, both in Australia and Africa.

## **CONSIDERATION FOR ACQUISITION**

In consideration for the acquisition, Sabre will issue 32,000,000 ordinary shares in the company to the vendors (@ 40c per share), together with a cash payment of \$240,000 for reimbursement of previous expenditure.

The acquisition is conditional upon:

- (1) Sabre raising an amount of not less than A\$3,500,000 through the issue of new shares.
- (2) The obtaining of all necessary shareholder and regulatory approvals for the acquisition.

## **SHARE & OPTION PLACEMENT**

In satisfaction of condition (1) above, the Directors have agreed to undertake a placement to raise A\$3.5m. As part of the placement, 14,000,000 shares will be issued at 25 cents each, together with one free attached option for every share issued, exercisable at 35 cents each on or before 27 January 2010. The issue will be pursuant to a disclosure document.

Both the acquisition and placement of shares and options will be subject to shareholder approval at a meeting to be held in mid September 2007.

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