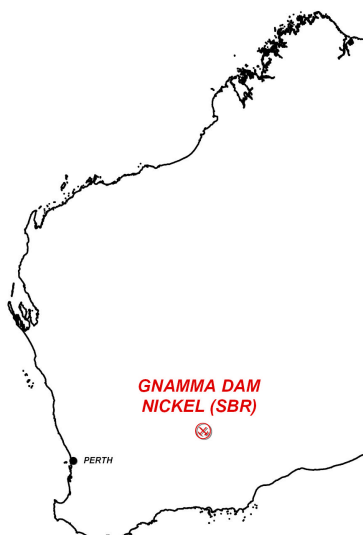


GNAMMA DAM NICKEL PROJECT, EAST OF KALGOORLIE, WESTERN AUSTRALIA



Salmon Gums at Gnamma Dam.

1. INTRODUCTION




The Gnamma Dam project is located approximately 26 kilometres to the east of Kalgoorlie. The project consists of fourteen granted prospecting licenses (P 25/ 1766-1775 & P 25/1783-1786) that straddle the Bulong Road and cover the Hampton Hill Homestead.

The tenements cover over seven kilometres strike of a komatiitic sequence, which is prospective for nickel mineralisation, with previous exploration demonstrating both anomalous surface and down hole nickel geochemistry.

2. LOCATION & ACCESS

The Gnamma Dam tenements are located approximately 26 kilometres east of Kalgoorlie and 6 kilometres west of the now abandoned Bulong townsite. The tenements straddle the Bulong Road and cover Hampton Hill station homestead. Access to the area from Kalgoorlie is via the sealed Bulong Road to Hampton Hill Station.



Well maintained station tracks provide access through tenements both north and south of the Bulong Road. The northwest alignment of the old Bulong-Kanowna telephone line provides good access to the northern part of the tenement block.

Tall eucalypts with a light to moderately thick scrub under story cover the tenements. The southern tenement area is relatively flat lying. The northern part of the tenement block contains lateritic hills that culminate at Mt. Youle, which is 198 metres in height.

3. TENEMENTS

The Gnamma Dam project consists of fourteen prospecting license applications (P 25/ 1766-1775 & P 25/1783-1786), in the name of Sabre Resources Ltd.

4. GEOLOGY

4.1 REGIONAL GEOLOGY

The Gnamma Dam tenements are located within the Archaean Bulong Greenstone Belt. This belt comprises mafic and ultramafic volcanics and intrusives, as well as chert, shale, felsic volcanics and sedimentary rocks. In some areas there is a basal mafic sequence which, in the south of the greenstone belt, consists of felsic volcanics overlain by a mafic sequence. Major late stage sill-like ultramafic intrusions occur throughout the greenstone belt.

A broad anticline is the main structural feature of the belt, with complex folding on the west and east margins. The contacts with neighbouring greenstone belts and granites are faulted for the most part and show sheared margins.

4.2 PROJECT GEOLOGY

A compilation of company geological mapping and aeromagnetic interpretation indicates that the project tenements overlie a sequence of ultramafic, mafic and volcanogenic sediments (see Figure 1). The ultramafic stratigraphy on the eastern side of the tenement block, is mapped as a komatiitic sequence, and is interpreted to be the same stratigraphy that hosts the Duplex Hill and Blair nickel sulphide mines to the south. The margins of this unit are sheared and its position within the stratigraphy is interpreted to be due to thrust faulting.

The komatiite/ ultramafic sequence is in turn overlain to the west, by a sequence of volcanoclastic sediments that include tuffs, cherts and black shale's. This sequence is in turn overlain by a mafic sequence that includes basaltic and gabbroic stratigraphy.

5. EXPLORATION

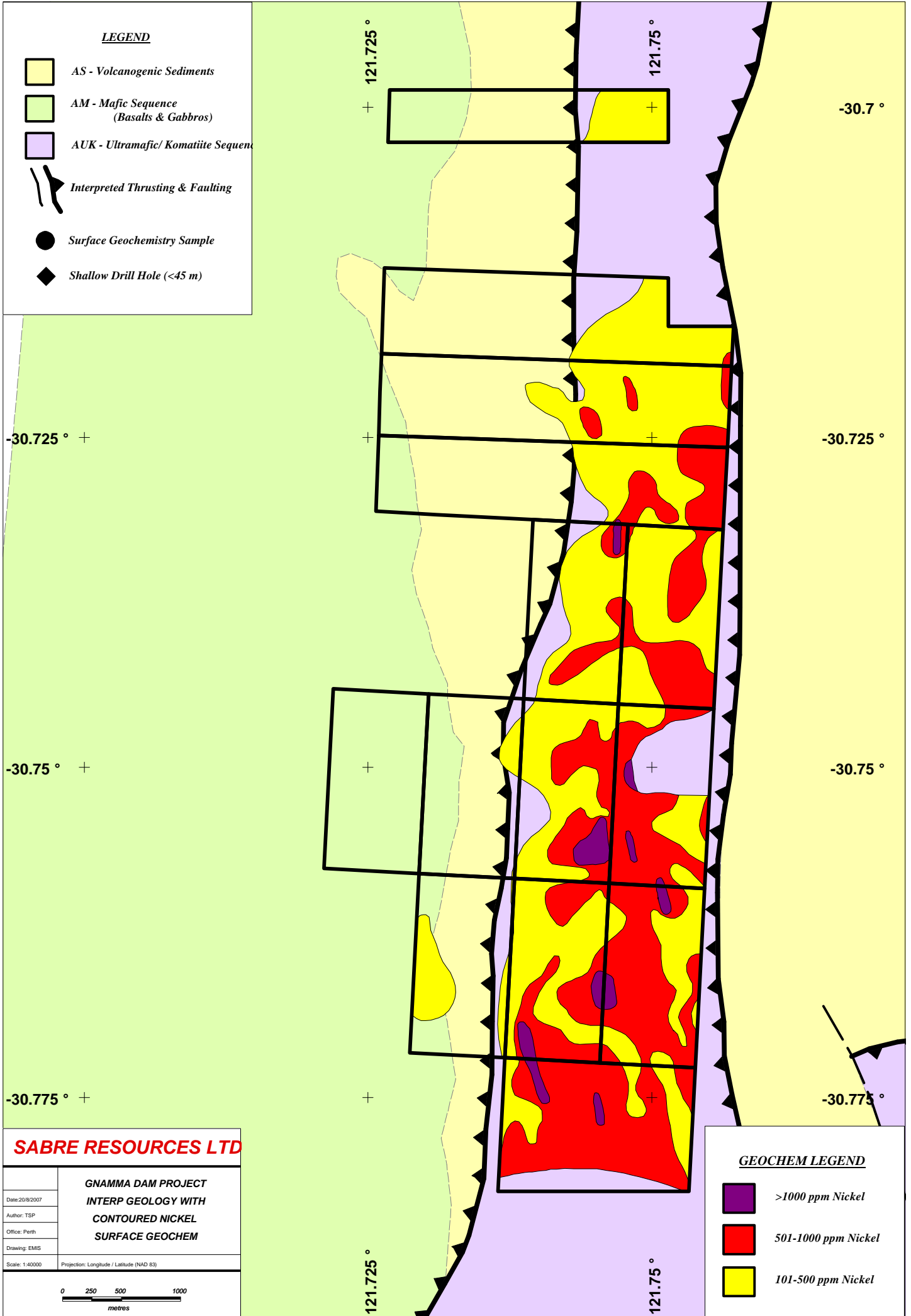
5.1 HISTORICAL EXPLORATION

A review of the historical open file data shows that the project area has only received cursory exploration for nickel. In the 1970's and early 1980's various groups, including Seltrust Mining Corporation, Western Nickel and WMC Resources, conducted geological mapping, reconnaissance sampling, geophysics and limited percussion drilling.

WMC Resources also undertook a program of shallow RAB drilling on its Virgin Dam project, which overlapped the northeastern corner of the current project area. The drilling intersected a number of anomalous zones of mineralisation within the regolith over the komatiitic stratigraphy, with grades up to 1.79% nickel. The best result returned from within the current project area was in VDR029 with 4m @ 0.35% nickel, record from a depth of 17 metres, near the bottom of the drill hole.

LEGEND

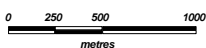
- AS - Volcanogenic Sediments
- AM - Mafic Sequence
(Basalts & Gabbros)
- AUK - Ultramafic/ Komatiite Sequences
- Interpreted Thrusting & Faulting
- Surface Geochemistry Sample
- Shallow Drill Hole (<45 m)



SABRE RESOURCES LTD


**GNAMMA DAM PROJECT
INTERP GEOLOGY WITH
CONTOURED NICKEL
SURFACE GEOCHEM**

Date: 20/8/2007
 Author: TSP
 Office: Perth
 Drawing: EMIS
 Scale: 1:40000
 Projection: Longitude / Latitude (NAD 83)



GEOCHEM LEGEND

- >1000 ppm Nickel
- 501-1000 ppm Nickel
- 101-500 ppm Nickel



Archaean Gold, Asian Mining & Golden Deeps Ltd., have explored the project area since the late 1980's. The focus of their exploration was for gold and volcanogenic massive sulphide (VMS) style targets (namely Copper, Zinc & Lead mineralisation). The historical exploration data has been compiled in to a database to assist in the future exploration of the project.

Asian Mining NL undertook wide spaced, multi-element soil sampling in 1994, as part of their gold exploration program. This sampling did not cover all of the ultramafic stratigraphy within the project area, but was the only geochemical dataset that has been assayed for nickel. This sampling generated anomalous nickel values over the komatiitic stratigraphy, with up to 800 ppm nickel at the surface.

5.2 RECENT SBR EXPLORATION

Sabre Resources Ltd undertook an extensive program of infill and extensional soil sampling programme in 2005, based upon the results from the Asian Mining sampling, and defined extensive surface nickel mineralisation within the project area.

The surface anomalism at Gnamma Dam extends along the entire eastern side of the project area, however the high-grade surface mineralisation (>500 ppm Ni) covers for more than six kilometres of strike and in several areas grades over 0.1% nickel at surface (see Figure 1).

5.3 CURRENT SBR EXPLORATION

Sabre has conducted a detailed technical review of Gnamma Dam and has defined a number of highly prospective zones of surface nickel anomalism within the project area that require drill testing. A substantial program of aircore drilling is currently being planned to test these zones.

6. CONCLUSIONS

The Gnamma Dam nickel project shows strong potential for nickel mineralisation and has yet to be tested by drilling. In addition, Sabre is currently reviewing the historical data to further evaluate the project area for its volcanogenic massive sulphide (VMS) mineralisation (namely Copper, Zinc & Lead).