

ONGAVA BASE-METAL PROJECT, OTAVI MOUNTAIN LAND, NAMIBIA, SOUTH WEST AFRICA.



An aerial view of the Otavi Mountain Land, northeastern Namibia

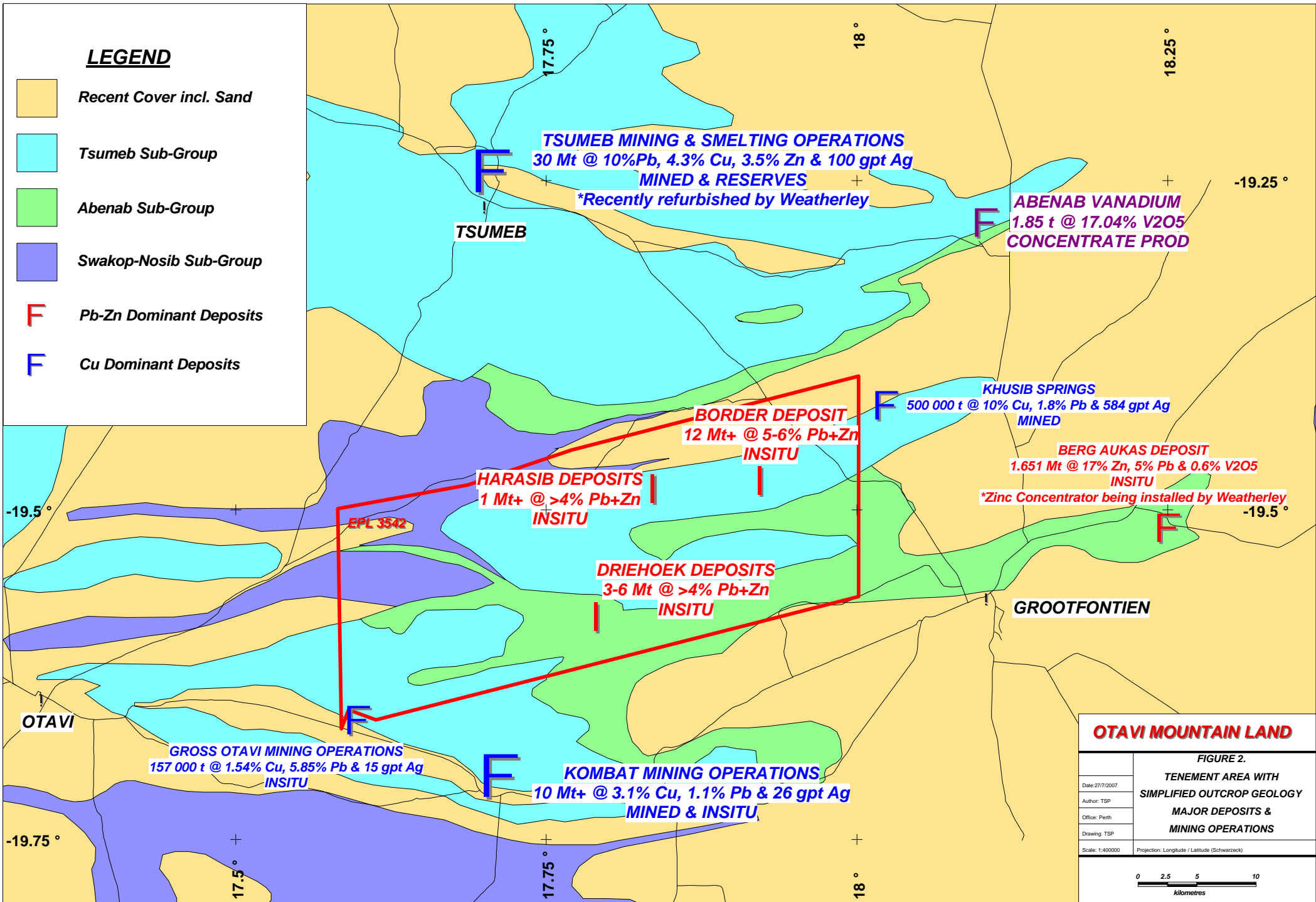
1. INTRODUCTION



The Ongava Base Metal project is located in the Otavi Mountain Land, in the northeast of Namibia (see left). The Otavi Mountain Land (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 (see Figure 1).

The Ongava project covers approximately 800 square kilometres of highly mineralised carbonate stratigraphy and hosts more than 22 known base metal prospects, as well as the lead-zinc deposits at Border, Driehoek and Harasib (see Figure 2).

A review of the public domain data available for the project indicates that exploration to date has been limited, with little drilling outside the main deposit and prospect areas. The project is highly prospective for 'world-class' strata-bound zinc, lead, copper and vanadium deposits.



2. LOCATION & ACCESS

Namibia is located in southwest Africa and is bounded by the Atlantic Ocean to the west and South Africa to the south. It is one of the most politically stable and well-developed countries in Africa, with excellent infrastructure and government policy designed to promote investment in mining and exploration. Namibia is currently rated amongst the top ten countries in the world in which to undertake both mining and exploration*.

The Ongava Base Metal project is located approximately 350 km to the northeast of the capital of Namibia, Windhoek. 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. (see Figure 1).

*See 'Resource Stocks' magazine, September 2006.

3. TENEMENT

The project area is composed of one Exclusive Prospecting License, EPL 3542 and covers an area of 79,895 hectares (798.95 km²).

The tenement was applied for in April 2006 and granted on 30 October 2006 for a period of three years, with additional extensions to this time frame based upon the active exploration programme.

4. GEOLOGY

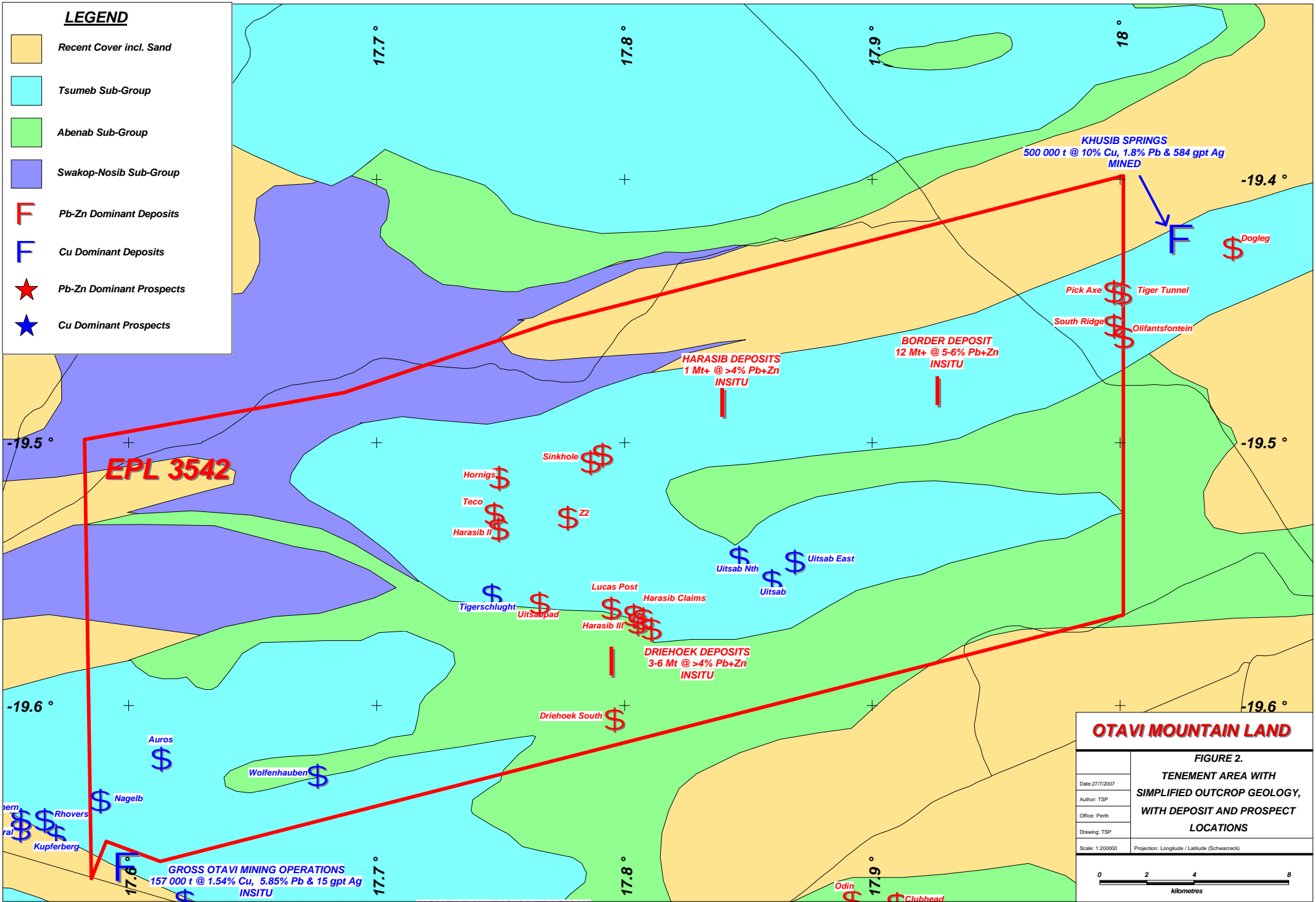
4.1 REGIONAL GEOLOGY


The Otavi Mountain Land (OML) covers an area of approximately 10,000 km² and is located in northeastern Namibia. The OML is host to a number of significant base metal deposits, several of which are regarded as being 'world-class'. These deposits vary in their metallurgy but host Copper (Cu), Zinc (Zn), Lead (Pb), Silver (Ag) and Vanadium (V) mineralisation and include:

Tsumeb	30 Mt @ 10%Pb/ 4.3% Cu/ 3.5% Zn & 100 gpt Ag (Mined)
Kombat	8.7 Mt @ 3.1% Cu/ 1.1% Pb & 26gpt Ag (Mined)
Abenab	1.85 Mt (Conc.) @ 17.04% V2O5 (Mined & Concentrated)
Berg Aukas	3.2 Mt @ 16% Zn/ 4% Pb & 0.75% V2O5 (Mined & Insitu)
Khusib Springs	0.5 Mt @ 10% Cu/ 1.8% Pb & 584 gpt Ag (Mined).

The OML is located in the Northern Platform Zone of the east-northeast striking intracontinental branch of the Damara Belt, at the southern margin of the Congo craton. The Damara Belt is a regional mobile belt of Pan African age, between 1,000 Ma and 250 Ma, consisting of complex rift spreading and compressional events. Sediment accumulation within the rift systems consists mainly of coarse sand and shale accumulations in the south, with the northern section dominated by carbonate shelf sedimentation.

The sediments in the OML are mainly shallow water carbonates and siliciclastic rocks of the Neoproterozoic Damaran Supergroup. There are in excess of 600 Cu-Pb-Zn-V known base metal occurrences in the OML, including the renowned Tsumeb and





Kombat copper mines. Based on their geometry, geochemical and Pb-isotopic characteristics, previous authors have grouped these deposits into different types. The pipe-like structure of the Tsumeb-Type (Cu-Pb-Zn) and the stratabound Berg Aukas-Type (Pb-Zn-V) are the best known examples of these deposits. The mineralisation style that developed depends on the facies and the diagenetic overprint of the host rocks, its tectonic setting and the occurrence of sedimentary, karst and tectonic breccias.

Possible sources of the mineralising fluids are basement highs in the central and southern OML, northeast-southwest striking mafic dykes, volcanic and siliciclastic successions in the Nosib Group at the base of the Damaran Supergroup, or higher metamorphic units of the Northern Zone of the Damaran orogen.

4.2 GENESIS OF THE BASE METAL SULPHIDES IN THE OTAVI MOUNTAIN LAND, NAMIBIA.

Two main types of base metal deposits can be distinguished based upon geological, mineralogical and geochemical data:

4.2.1 Berg Aukas-Type- Stratabound Pb-Zn-V Mineralisation

The Berg Aukas-Type mineralisation is related to relatively low temperature (approx. 240 deg C) basinal brines that circulated along growth faults through the rift graben filling. These brines leached Pb and Zn probably from early-rift, 750 Ma volcanic rocks and subsequently precipitated galena and sphalerite in structural traps, such as karst-related cavities, in the carbonate sediments of the lower Abenab Subgroup.

4.2.2 Tsumeb-Type- Mineralogical Complex, Cu-Pb-Zn Mineralisation

The Tsumeb-Type mineralisation is related to collision tectonics. It was formed by less saline, but hotter (450 deg C), orogenic fluids that were expelled from the higher-grade metamorphic areas further to the south into the foreland fold-and-thrust belt during the continental collision between the Kalahari and the Angola plates at 570-560 Ma. Hypogene sulphide deposition occurred predominantly in karst structures that developed during the non-depositional hiatus between the carbonate-dominated Otavi Group and the molasse-type Mulden Group.

These two deposit types reflect the inversion from extension to compression tectonics in an intracontinental rift graben of the northern Damara Orogen. Multiple events of later mobilisation, oxidation and upgrading of the ores are ascribed to the interaction with meteoric waters in relatively young karst structures.

5. EXPLORATION

5.1 HISTORICAL EXPLORATION

The history of prospecting and exploration in the OML dates back to the 1890's, when prospecting groups discovered a number of high-grade base metal occurrences in the region. However it was not until the mid 20th century that exploration and mining developed, with Etosha Petroleum discovering the Border Lead-Zinc deposit in the late 1960's. Political unrest and a depressed base metals market stifled exploration during the late 1970's-80's.

Goldfields of Namibia Ltd ('Goldfields'), a subsidiary of Goldfields of South Africa Ltd, recommenced exploration of the OML in the 1990's, initially targeting the Driehoek Lead-Zinc deposits, as well as number of other prospect areas, including the Harasib and Nosib prospects, both of which are within the Ongava project area. This exploration resulted in the discovery of the Khusib Springs mine, in the early 1990's.

5.2 EXISTING BASE-METAL DEPOSITS

The Ongava project hosts three major lead-zinc-silver deposits, namely Driehoek, Harasib and, most significantly, Border.

5.2.1 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*

*The potential quantity and grade of the Border deposit is conceptual in nature as Sabre has determined that insufficient exploration 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 is based upon deposit calculations undertaken by Etosha Petroleum Ltd.

Etosha Petroleum Ltd ('Etosha') discovered the Border Lead-Zinc deposit during the late 1960's as a result of regional soil sampling. A northeast trending lead-zinc-copper soil anomaly, covering more than a kilometre of strike, was identified at Border coincident with weakly bedded and brecciated dolomite stratigraphy. The anomaly is masked by increasing cover to the north and remains open along its southern strike extent.

Diamond drilling identified three parallel lead-zinc lodes that extend over the entire strike length of the soil anomaly. These lodes can be traced to the surface, with the true width of the mineralised lodes varying between 2.4 metres and 21 metres. These lodes often contain higher-grade intercepts, which assay **at over 10% combined lead & zinc**. Drilling has resulted in intersections such as


B 002	18.90 metres @ 11.18% Pb+Zn	from 80.47 metres
Including	6.71 metres @ 19.77% Pb+Zn	from 80.47 metres
B 016	11.00 metres @ 15.92% Pb+Zn	from 87.17 metres

In the 1970's it was standard practice to extract mineral deposits through underground mining methods. In the case of the Border deposit, Etosha planned its drilling and exploration around a 'bulk underground mining' scenario. A result of this style of mining is that much of the near surface mineralisation, from surface to around 50 metres depth, could not be mined and therefore mineralisation above this level was not included in the deposit tonnage calculations. Modern open pit mining techniques will allow this near surface material to be mined, and will immediately result in significant upgrades to the overall tonnage of the Border deposit.

Resource Potential

The current exploration target at Border is already a major deposit but shows significant potential for increased tonnage both at depth and along strike. Etosha also noted that their drilling showed an increase in the lead-zinc grade of the deposit at depth, as well as the increased presence of copper mineralisation.

The deposit appears to be highly amenable to open pit mining, with mineralisation extending to the surface. The inclusion of the ore in this 'near-surface' environment,



combined with drilling of the deposit along strike and at depth, indicates that the deposit has the potential to be far larger than the initial exploration target. Etosha postulated that an exploration target **in excess of 30 million tonnes** was potentially insitu at Border.

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.

5.2.2 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*

*The potential quantity and grade of the Driehoek deposits are conceptual in nature as Sabre has determined that insufficient exploration data is currently available 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 is based upon deposit calculations provided by Goldfields of Namibia Ltd.

Eland Exploration ('Eland') discovered Driehoek in the 1970's as a result of regional soil sampling. Initial soil sampling delineated a number of lead-zinc, copper & manganese anomalies associated with a folded dolomitic unit, with some **surface samples assaying at over 10% combined Lead & Zinc.**

Goldfields of Namibia Ltd ('Goldfields') later delineated the Driehoek deposits in the 1990's, concentrating on the North, East and South Zones of the prospect. Drilling has resulted in intersections such as

**DDH 75-18 40.00 metres @ 8.57% Pb+Zn and 9.30 gpt Ag
from 1.00 metres**


Resource Potential

Drilling by Eland & Goldfields has defined three near-surface deposits of base metal mineralisation. These deposits were reported in detail by Goldfields, but are currently considered to be 'pre-JORC'.

The initial exploration target at the North & East Zones of Driehoek is reported as being in excess of **3 million tonnes, with a combined grade for lead and zinc of over 4%.**

Goldfields included the internal waste blocks in their calculations, which has diluted the overall grade of the deposit while increasing its tonnage. An initial geostatistical evaluation of the Driehoek deposits indicates that if modern practice, in accordance with the JORC code, were to be followed increases in grade could be expected, with little effect on the overall tonnage of the deposits. Drilling and evaluation will be required to bring these deposits into JORC compliance.

Estimates of the size of the Driehoek deposits are limited by the depth of the existing drilling, which only extends to **approximately 60 metres** below surface. The mineralised lodes show good continuity from surface and remain open at depth.



Surface soil sampling shows the anomalism extending along strike to the northeast into the 'Gauss' prospect, which is also in the project area, but remains untested by drilling.

An evaluation of the Driehoek deposits indicates that they are highly amenable to open pit mining. The ore system potentially has very low strip ratios and remains untested both at depth and along strike.

Preliminary analysis indicates that a targeted drilling programme has the potential to rapidly increase the mineralised inventory for the deposits to well **over six million tonnes**.

5.2.3 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*

*The potential quantity and grade of the Harasib deposits are conceptual in nature as Sabre has determined that insufficient exploration data is currently available 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 is based upon deposit calculations provided by Goldfields of Namibia Ltd.

Goldfields investigated the Harasib deposits in the 1990's and reported a number of shallow lead-zinc deposits occurring in close proximity. The Harasib deposits have only been drilled to **approximately 50 metres depth**.

The Harasib prospect requires detailed investigation, with all relevant data yet to be received from the Geological Survey of Namibia. Harasib appears to have been subjected to only limited exploration and has the potential to host significant deposits.

5.2 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 stratigraphical and structural continuity shown by the various styles of mineralisation within the project area indicate that there is strong potential to expand the known deposits and for finding further significant economic mineralisation.


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

5.2.1 Berg Aukas-Type Lead-Zinc Mineralisation

Lead-Zinc mineralisation is found throughout the carbonate stratigraphy of the Tsumeb Sub-Group within the Ongava project area. There have been a number of prospects defined to date that require further exploration, including **Tunnel, Pick Axe, South Ridge, Sinkhole, Teco, Uitsabpad & Lucas Post**.

5.2.2 Tsumeb-Type Copper-Lead-Zinc Mineralisation

Copper-Lead-Zinc mineralisation is found throughout the carbonate stratigraphy of the Abenab Sub-Group within the Ongava project area. There have been a number of



prospects defined to date that require further exploration, including **Wolkenhauben, Tigerschlucht & Uitsab**.

These targets are highly prospective but require detailed evaluation prior to commencement of the forthcoming exploration programme. Sabre is currently acquiring all of the public domain and historic exploration data, which will then be utilised for targeting and resource definition studies.

For further information on base metal mineralisation in Namibia see:

<http://www.mme.gov.na/gsn/basemetals.htm>

5.3 CURRENT SBR EXPLORATION PROGRAMME

Historically, two companies, the South West Africa Company Ltd & Tsumeb Corporation Ltd, have largely controlled exploration in the Otavi Mountain Land. These two companies concentrated on the development of the Tsumeb & Kombat Cu-Pb-Zn mines, with only limited exploration outside the immediate mine environs.

The Ongava Base Metal project has yet to be systematically explored utilising modern exploration methods. The project has a wide range of exploration targets, from 'bulls-eye' geochemical anomalies that require drill testing through to resource definition at both Border and Driehoek.

The ongoing exploration programme at the Ongava project will include:

5.3.1 Data Acquisition

A complete set of open file and closed file (company) data is currently being acquired from the Namibian Ministry of Mines and Energy in Windhoek, and from various other companies. This process is well advanced, but it is envisaged that this will be an on going process.

5.3.2 Compilation & Interpretation

The historical exploration data is being incorporated into a modern GIS database, as it is received, to allow detailed analysis and interpretation. The organisation and effective utilisation of the historical exploration data will allow accurate target generation, with the exploration programme capable of being rapidly advanced.

An extensive surface geochemical data set has been acquired from various governmental and company sources. This multi-element dataset consists of tens of thousands of soil, calcrete and rock chip samples, covering much of the outcropping stratigraphy in the Ongava project area. The dataset is currently being compiled into a single cohesive dataset to assist in exploration. This geochemical dataset would have originally cost many millions of dollars to generate. This data will 'fast-track' the current exploration programme, allowing the immediate drilling of several target areas as well as the deposits at Border, Driehoek & Harasib.

The completed GIS dataset will include geological mapping, geochemistry, geophysics, satellite imagery and drilling data sets.

5.3.3 Targeting & Drill Testing

A 'first-pass' examination of the historical exploration data has already highlighted a number of immediate drill targets for further exploration on both a prospect and regional scale. These targets range from geophysical targets, which appear to be cover geological repetitions of existing deposits, through to 'up-front' drill targets and resource definition drilling.



6. CONCLUSION

The Ongava project is highly prospective for base metal mineralisation and represents an exceptional opportunity to undertake modern exploration in a relatively unexplored but highly prospective terrain, which has produced a number of 'world-class' base metal ore bodies. The Border, Driehoek and Harasib deposits represent outstanding exploration targets from which to initiate a programme of modern exploration.