

## ASX ANNOUNCEMENT

31 July 2018



# QUARTERLY ACTIVITIES REPORT

## FOR THE QUARTER ENDED 30 JUNE 2018

### HIGHLIGHTS

- **Sherlock Bay Nickel-Copper-Cobalt and Gold Project, Pilbara, WA**
  - The Sherlock Bay nickel-copper-cobalt deposit resource estimate was updated and restated in compliance with the JORC Code (2012). The deposit contains total Measured, Indicated and Inferred Resources (Table 1) of:
    - **24.6 Mt grading 0.4% nickel, 0.09% copper and 0.02% cobalt**
  - Mining study review and update commissioned for the Sherlock Bay deposit and expected to be completed by end July 2018
  - Review of previous vegetation geochemistry surveys commenced to identify additional nickel exploration targets with potential to increase available resources
- **Otavi Mountain Land Base Metal and Vanadium Project, Namibia**
  - Preparation of statutory renewal applications and preparation for further exploration of vanadium exploration targets
- **WA Vanadium Projects**
  - Compilation of historical data on exploration license applications to target exploration

### SHERLOCK BAY PROJECT

Sabre Resources Limited (SBR or the Company) acquired a 70% interest in the Sherlock Bay Project located in the Pilbara region of Western Australia (*refer to SBR announcement dated 29 January 2018*). The Project is well-located, 12 km off Highway 1 with access to critical mining infrastructure. The Project tenements comprise two valid exploration licenses E47/1769 and E47/1770 and a mining lease M47/567 (Figure 1 and Appendix I).

#### Resource Estimate Update

Mining lease M47/567 contains the Sherlock Bay nickel-copper-cobalt deposit. During the quarter the Company undertook a resource estimate update for the Sherlock Bay deposit (*refer to SBR announcement dated 12 June 2018*). The resource estimate is now stated in compliance with the JORC Code (2012).

**The updated total Mineral Resource (see Table 1) is 24.6 million tonnes grading 0.4% nickel, 0.09% copper and 0.02% cobalt. The deposit contains approximately 99,200 tonnes of nickel, 21,700 tonnes of copper and 5,400 tonnes of cobalt metal.**

The Mineral Resources have been classified as Measured, Indicated and Inferred Mineral Resource in accordance with the JORC Code, 2012 Edition and are shown in Table 1.

Table 1: Sherlock Bay Ni Cu Co Deposit May 2018 Resource Estimate (0.15% Ni Cut-off)

Discovery Lode							
	Tonnes Mt	Ni%	Cu%	Co%	Ni t	Cu t	Co t
Measured	3.90	0.33	0.10	0.025	12,900	4,100	1,000
Indicated	6.3	0.39	0.11	0.025	24,200	6,700	1,600
Inferred	2.3	0.43	0.11	0.026	9,900	2,500	600
<b>Total</b>	<b>12.5</b>	<b>0.38</b>	<b>0.11</b>	<b>0.025</b>	<b>47,100</b>	<b>13,200</b>	<b>3,100</b>
Symond's High Grade Lode							
	Tonnes Mt	Ni%	Cu%	Co%	Ni t	Cu t	Co t
Indicated	2.80	0.56	0.08	0.022	15,600	2,300	600
Inferred	1.2	0.58	0.07	0.019	7,000	800	200
Total	2.1	0.63	0.08	0.024	13,200	1,600	500
<b>Indicated</b>	<b>6.1</b>	<b>0.59</b>	<b>0.08</b>	<b>0.022</b>	<b>35,700</b>	<b>4,700</b>	<b>1,300</b>
Symond's Low Grade Lode							
	Tonnes Mt	Ni%	Cu%	Co%	Ni t	Cu t	Co t
Measured	2.50	0.26	0.08	0.019	6,500	2,000	500
Indicated	1.7	0.26	0.05	0.013	4,400	800	200
Inferred	1.9	0.29	0.04	0.012	5,400	800	200
<b>Total</b>	<b>6.1</b>	<b>0.27</b>	<b>0.06</b>	<b>0.016</b>	<b>16,400</b>	<b>3,700</b>	<b>900</b>
Total Deposit							
	Tonnes Mt	Ni%	Cu%	Co%	Ni t	Cu t	Co t
Measured	12.48	0.38	0.11	0.025	47,100	13,200	3,100
Indicated	6.1	0.59	0.08	0.022	35,700	4,700	1,300
Inferred	6.1	0.27	0.06	0.016	16,400	3,700	900
<b>Total</b>	<b>24.6</b>	<b>0.40</b>	<b>0.09</b>	<b>0.022</b>	<b>99,200</b>	<b>21,700</b>	<b>5,400</b>

(Note that rounding discrepancies may occur in summary tables)

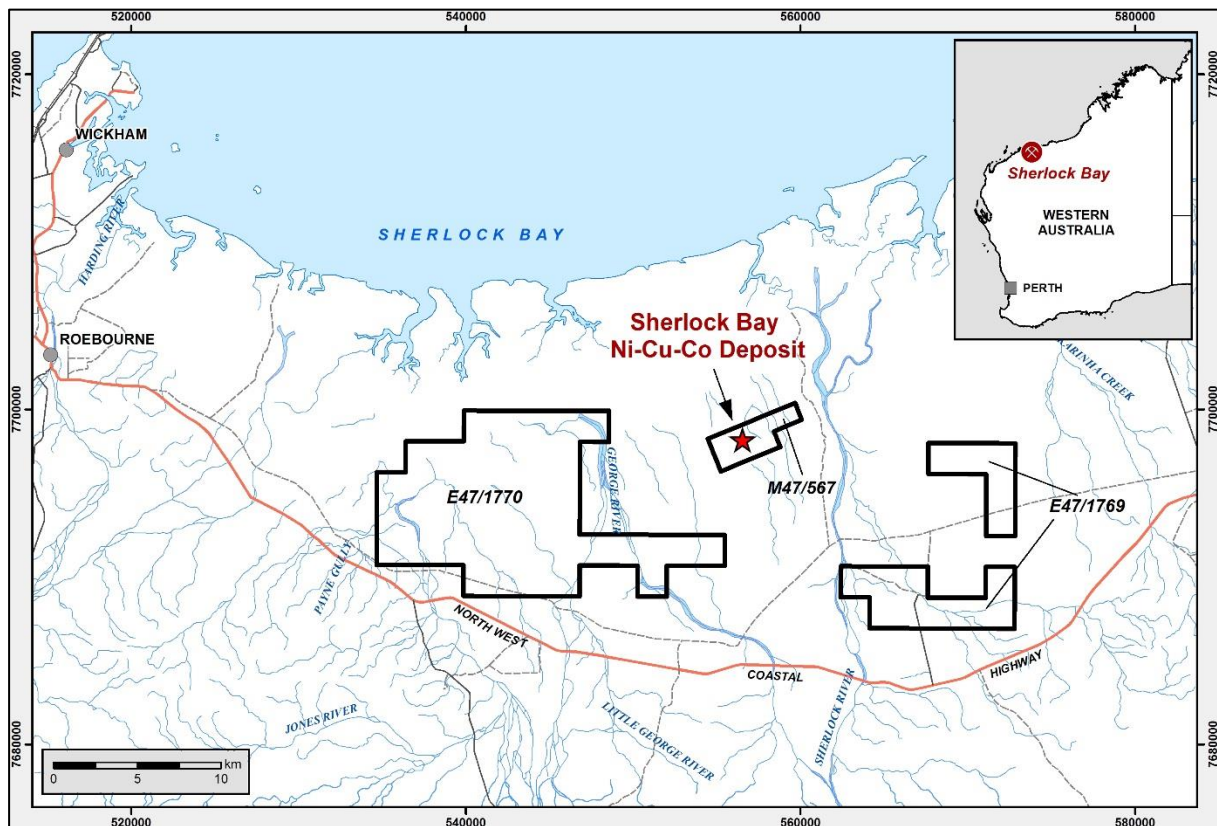


Figure 1: Location map of the Sherlock Bay Project in Western Australia

## **Mining Study Update**

A review and update of the mining study for the Sherlock Bay deposit was commenced by AMC Consultants Pty Ltd (AMC), updating a report that was originally completed by them in 2005 (*refer to SBR announcement dated 28 June 2018*).

AMC's updated study is utilising the re-stated JORC Code 2012 compliant resource estimate (see above) to create a new diluted mining model (with the application of appropriate dilution and ore loss factors and input of economic parameters). Using this model, open pit shells will be generated and validated against the pit design prepared in 2005.

Update of the underground mining study will involve using the same physical schedule and quantities for underground mining operations as detailed in the 2005 report. Updated contractor mining costs and capital costs (sourced by AMC) will be utilised in the study.

The deliverable results of the mining study update will be open pit and underground mine production schedules, with updated current costs and projected cash flows based on updated commodity prices, exchange rates, capital costs and operating costs.

The completed report is expected to be delivered to the company by the end of July, 2018. The mining study update results will give the Company confidence in the cost of mining the resource and will be used to feed into ongoing feasibility studies.

## **Feasibility Studies**

The Company is continuing to review and update the substantial feasibility study work that has previously been completed on the development of the Sherlock Bay deposit. The extensive information already available will allow the Company to rapidly advance the evaluation of the project to feasibility stage.

## **Vegetation Geochemistry**

A review of previously completed vegetation geochemistry surveys over the Sherlock Bay Project was commenced. The Sherlock Bay mining lease and large areas of the exploration licenses have been covered by geochemical surveys, most recently in 2012 and 2014. These survey data have never been fully integrated and interpreted.

The Company anticipates that the review will identify geochemical anomalies that can be integrated with other geological and geophysical data to highlight additional exploration targets in the Project area with a view to the discovery of additional near-surface nickel mineralisation and increasing the available resource.

## **OTAVI MOUNTAIN LAND PROJECT ("OML PROJECT")**

The Otavi Mountain Land is a highly prospective, underexplored area in northern Namibia (Figure 2) which has potential for high-value copper mineralisation, stratabound zinc-lead mineralisation and vanadium deposits. The project comprises two granted tenements, EPL 3540 (SBR 80%) and EPL 3542 (SBR 70%), which cover about 347 km<sup>2</sup> of the 'Otavi Triangle' (Figure 3).

The Otavi Mountain Land contains numerous historic mines, including the Tsumeb copper-lead-zinc mine and smelter complex, plus the Kombat copper mine. These mines are currently on care and maintenance but the Tsumeb copper smelter remains one of only five operating copper smelters in Africa. The presence of these mines and other significant historical mining and processing operations has resulted in the provision of excellent infrastructure throughout the region.

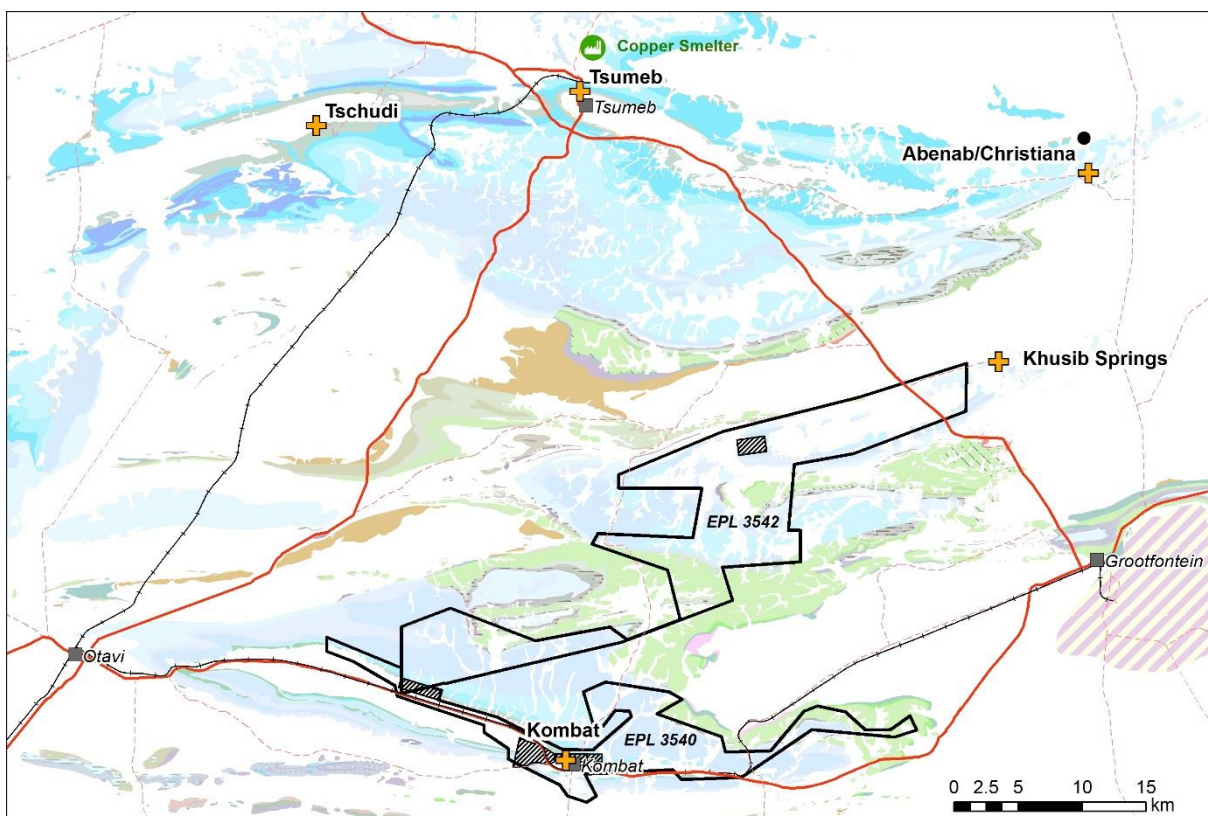


Figure 2: Location of the Otavi Mountain Land Project in northern Namibia. Red lines are highways, black crossed lines are railways, black squares are towns and cities, and black star is the capital, Windhoek.

Figure 3: The Otavi Mountain Land, showing roads (red) railroads (black hatched), towns (black square), major mines and deposits (crosses) and the Tsumeb smelter complex. Sabre's two licences, EPL3540 and EPL3542, are located in the highly mineralised south of the area. Mining licences (grey cross-hatched) are not owned by Sabre and are excised from the licences.

During the quarter the Company prepared documentation for the statutory renewals of EPL 3540 and EPL 3542. The renewal applications will be submitted in July 2018.

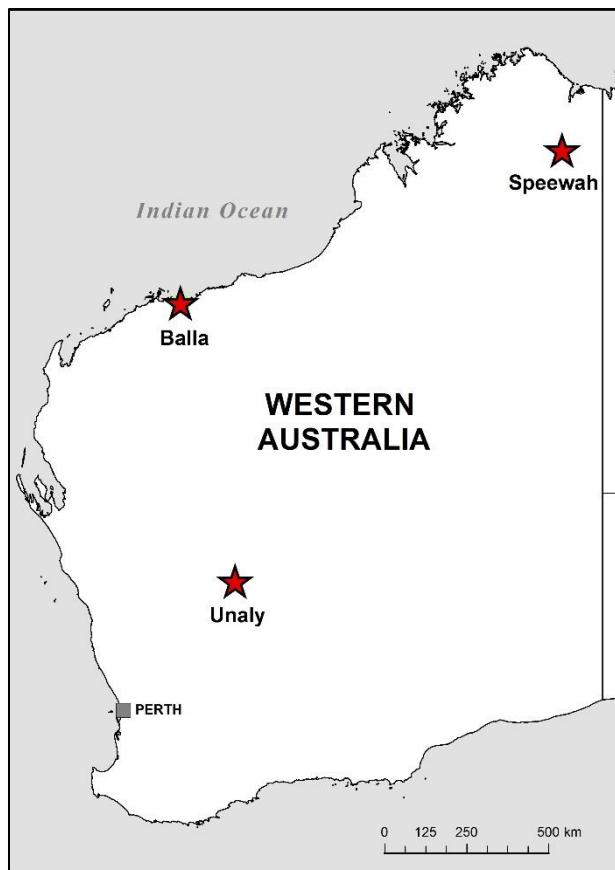
The Company also began preparing for further exploration on the vanadium targets within EPL 3542.



## WA VANADIUM PROJECTS

During the quarter the Company acquired Kinetic Metals Pty Ltd (*refer to SBR announcement dated 24 April 2018*) and a 100% interest in three projects located in Western Australia (Figure 5) with potential for vanadium mineralisation.

- **The Speewah Vanadium Project** is located adjacent to and adjoins the area that contains the King River Copper Limited Speewah Dome project which hosts a JORC resource of 4.7Bt at 0.3% V<sub>2</sub>O<sub>5</sub>, 2% TiO<sub>2</sub> and 14.7% Fe
- **The Unaly Vanadium Project** is located adjacent to and adjoins the area that contains the Surefire Resources Limited Unaly Hill project which hosts a JORC resource of 86.2Mt at 0.42% V<sub>2</sub>O<sub>5</sub>, 4.5% TiO<sub>2</sub> and 24% Fe
- **The Balla Vanadium Project** is prospective for mineralisation similar to the Forge Resources Limited Balla-Balla iron-vanadium-titanium project which hosts a JORC resource of 456Mt at 0.65% V<sub>2</sub>O<sub>5</sub>, 13.7% TiO<sub>2</sub> and 45% Fe



**Figure 4: Location diagram of the Company's WA vanadium projects**

The three exploration licenses which comprise the vanadium projects are currently under application (Appendix I). The Company commenced compilation of geological datasets and historical exploration reports that are available over the project areas to assist with and target ongoing exploration.

## **CORPORATE**

### **Board Changes**

The Company appointed Mr Basil Conti as a Non-Executive Director. Mr David Chapman resigned as a Non-Executive Director.

### **General Meeting**

A General Meeting of the Company was held on 6 July 2018. All resolutions put to the meeting were passed (*refer to SBR announcement dated 6 July 2018*).

### **ENDS**

**For further information 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, Mineral Resource or Ore Reserves is based on information compiled by Mr Lachlan Reynolds, who is a consultant to Sabre Resources Ltd, and who is a Member of The Australian Institute of Mining and Metallurgy. Mr Reynolds 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 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Reynolds consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

### **Forward-Looking Statements**

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Sabre Resources Ltd's planned exploration program 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 Sabre 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.

## APPENDIX I – TENEMENT SCHEDULE

Country	State/Region	Project	Tenement ID	Area (km <sup>2</sup> )	Date Granted	Date Expires	Interest
Namibia	Otjozondjupa	Otavi Mountain Land	EPL3540	110.98	30/10/2006	29/10/2018	80%
			EPL3542	236.90	30/10/2006	29/10/2018	70%
Australia	WA	Sherlock Bay	M47/567	10.0	07/09/2004	22/09/2025	70%
			E47/1769	44.7	07/09/2009	06/09/2019	70%
			E47/1770	134.3	07/09/2009	06/09/2019	70%
		Balla	E47/3985*	35.22	-	-	-
		Unaly	E57/1092*	60.31	-	-	-
		Speewah	E80/5219*	170.66	-	-	-

\* Exploration License Application