ANNUAL REPORT

2008

Sabre Resources Ltd (ABN 68 003 043 570) 1st Floor, 8 Parliament Place, West Perth, WA 6005 • PO Box 1618, West Perth, WA 6872
t: +61 8 9481 7833 • f: +61 8 9481 7835 • e: sabre@sabresources.com • www.sabresources.com

SABRE RESOURCES LTD

Contents

DIRECTORS

Alexander Clemen

Jonathan Downes

Michael Scivolo

David Zukerman

AUDITORS

Grant Thornton (WA) Partnership
10 Kings Park Road
West Perth WA 6005

COMPANY SECRETARY

Norman Grafton

BANKERS

Westpac Bank
108 Stirling Highway
Nedlands WA 6009

REGISTERED OFFICE

1st Floor, 8 Parliament Place
West Perth WA 6005

Telephone: (08) 9481 7833
Facsimile: (08) 9481 7835
Email: sabre@sabresources.com
Website: www.sabresources.com

SHARE REGISTRY

Computershare Investor Services
Level 2 Reserve Bank Building
45 St. Georges Terrace
Perth WA 6000

Investor Enquiries: 1 300 557 010
Facsimile: (08) 9323 2033

SOLICITORS

Blakiston & Crabb
1202 Hay Street
West Perth WA 6005
PO Box 454
West Perth WA 6872
Telephone: (08) 9322-7644
Facsimile: (08) 9322 1506
Email: office@blakcrab.com.au

SECURITIES EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange and the Berlin and Frankfurt Stock Exchanges

Home Exchange: Perth, Western Australia

ASX code for shares: SBR

REVIEW OF OPERATIONS

1) ONGAVA MULTI-ELEMENT PROJECT, NAMIBIA

Work is ongoing at Sabre's Ongava Multi-Element Project in the Otavi Mountain Land of northern Namibia (Figure 1). Both diamond and reverse circulation (RC) **drilling has focussed on the Border-Irvington lead-zinc system** and **RC drilling has tested the periphery of the Driehoek lead-zinc system**. Results are pending for both programmes. In addition, other prospects and historic mines have been assessed, geological mapping has extended the known exposure of **lead and zinc sulphides at Irvington to 2.5 km long**, and construction of a rigorous, ranked exploration strategy that incorporates all aspects of each prospect is underway.

A well-researched exploration strategy is required to adequately and efficiently explore the ~800 square kilometre area that Sabre's EPL3542 licence covers (Figure 2). With historic world-class mines in the region, numerous smaller historic mines and abundant unexplored prospects and mineral occurrences, categorising and ranking of Sabre's exploration targets is essential. With proven **copper**, **lead**, **zinc**, **silver** and **vanadium** occurrences, Sabre can be flexible in its exploration focus dependent on market conditions. Recent research also suggests that other metals, including **gold**, **germanium** and **gallium**, are highly prospective, so these will form an integral part of Sabre's exploration programme.

Figure 1 – Location of the Ongava Project, Namibia

The Otavi Triangle, bounded by the mining town of Tsumeb and the agricultural towns of Grootfontein and Otavi, is a historic mining region, and Sabre's licence lies at the highly prospective centre of the triangle (Figure 2). The region is connected by rail and sealed highways to the country's capital city (Windhoek) and main port (Walvis Bay). Infrastructure is as good as, if not better than, most localities in Australia and, given that Namibia has a strong historic mining culture, there is a skilled professional and labour workforce that we are utilising.

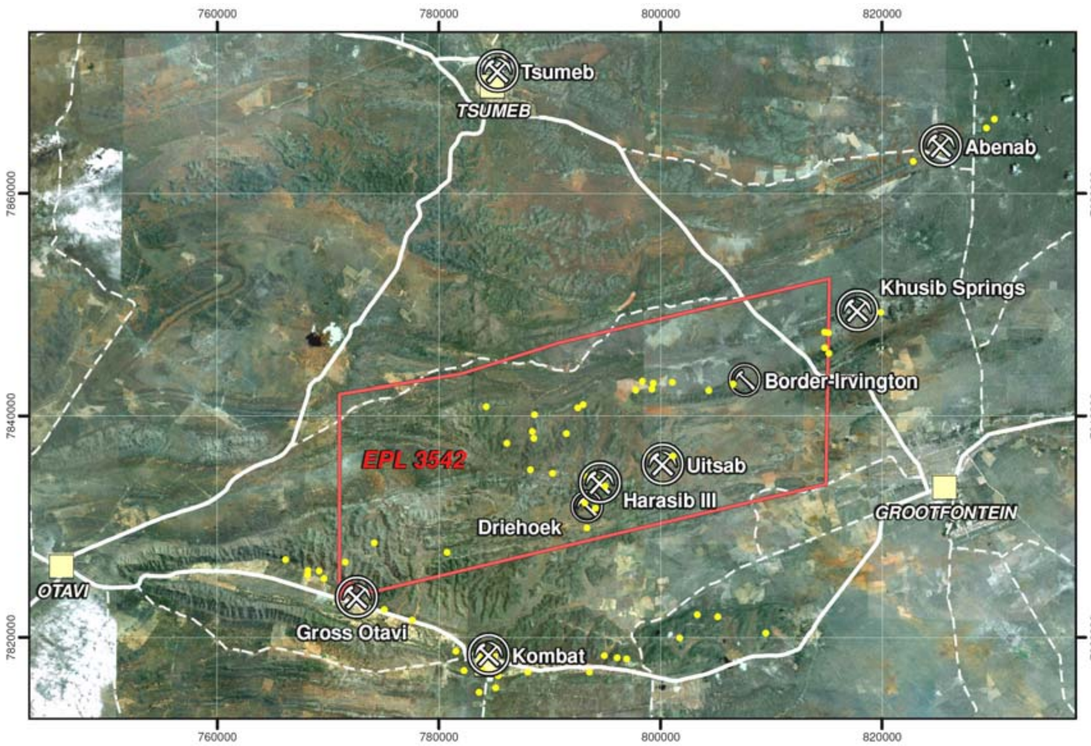


Figure 2 – The Ongava Multi-Element Project area (EPL 3542) within the Otavi Triangle as defined by the towns of Tsumeb, Grootfontein and Otavi. Major mines and prospects are labelled. Other prospects are represented by yellow dots.

A. Prospective commodities

Copper

In the Otavi Mountain Land, copper (Figure 3) is the principal commodity mined at Tsumeb, Tschudi and Kombat, and is common in other deposits throughout the region. Around 1.29 million tonnes of copper were extracted between 1905 and 1996 from the Tsumeb mine.

Figure 3 – Copper tubing.

The Ongava Project is host to numerous copper prospects, including Gauss, Uitsab and Rooikat. Many of the prospects are also prospective for lead, zinc and vanadium. The Border-Irvington and Driehoek deposits contain accessory copper.

Copper (Figure 3) is used extensively in plumbing, electronics, coinage, architecture, household products and the arts.

Lead, zinc and silver

Lead, zinc and silver (Figure 4) typically occur together throughout the Otavi Mountain Land, particularly in the Berg Aukas-type deposits and prospects. All three metals also occur in lesser proportions in Tsumeb-type deposits. Lead and zinc are predominantly present as sulphides (galena and sphalerite respectively), although the zinc silicate willemite is locally common. Silver is usually closely associated with galena, either as sulphide inclusions or as a chemical impurity dispersed throughout the crystal structure. Around 3 million tonnes of lead and 3500 tonnes of silver were extracted from Tsumeb up to the closure of the mine in 1996 (zinc was not commercially extracted). These metals constitute the bulk of mineralisation at Sabre's Border-Irvington and Driehoek deposits, and are present in most prospects throughout the Ongava Project area.

Lead has a wide variety of uses but is principally used in car batteries (lead-acid batteries). Likewise, zinc has a variety of uses but is widely known as the agent used to galvanise steel, and is considered to be a future power source when utilised in zinc-air batteries. Silver is a precious metal that also has a wide variety of uses in electronics, photography, optics, and medicine.

Figure 4 – Lead (top), zinc (middle) and silver metal (bottom).

Vanadium

The Otavi Mountain Land is historically one of the world's major sources of vanadium (Figure 5), though none is produced today. The main ore minerals, descloizite and mottramite, are copper-lead-zinc vanadate minerals. The Otavi Mountain Land is recognised as the source of some of the best examples of these minerals worldwide. In this region, they form where base metal sulphide deposits are deeply weathered, effectively capping sulphide mineralisation at depth.

Figure 5 – Vanadium metal.

Most vanadium is used as a strengthener for steel, for ferrovanadium and for specialty stainless steel for surgical instruments and high quality tools. Vanadium pentoxide is a useful catalyst for numerous processes including sulphuric acid production and ceramics and glass manufacturing.

Germanium

Germanium (Figure 6), once considered a specialty metal, is now an important high-technology metal used in light-emitting diodes (LEDs), infrared night vision systems, mobile phones, WiFi networks, fibre optics, and photovoltaic or solar cells. Demand presently outstrips supply, which has resulted in a nearly 4-fold increase in prices over 5 years, from $380 per kg in 2003 to $1475 per kg at the end of August 2008.

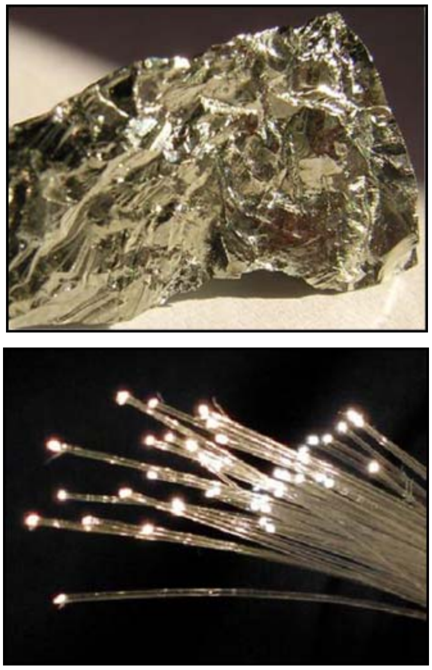


Figure 6 – Germanium metal (top) and fibre optic cable (bottom).

The Otavi Mountain Land is one of the world's major germanium provinces, with the metal associated with all styles of mineralisation. Germanium shows a strong affinity for the copper-rich portions of Tsumeb-type copper-lead-zinc deposits, but is generally present as discrete sulphides (germanite, renierite) or hydroxides (stottite). Berg Aukas-type lead-zinc deposits may also contain high levels of germanium, though here it is associated with sphalerite (zinc sulphide), making this deposit style another target for germanium exploration. Prior to being mined, Tsumeb was the world's richest germanium sulphide deposit (2160t contained germanium, though only 87t recovered). The germanium content of mineralisation in the Otavi Mountain Land has been the focus of several recent scientific studies that indicate strong prospectivity throughout the region.

Germanium is typically produced as a by-product of suitable copper, lead and zinc ores. Consequently, we do not need to alter our focus in order to explore for germanium. Sabre will assay samples for germanium in our ongoing exploration programmes.

Gallium

Gallium (Figure 7) is a specialty metal with important applications in the semiconductor and electronics industries. It is instrumental in the production of green, red, blue and white LEDs. It has been proposed as a future energy storage mechanism when used as an alloy with aluminium, where it reduces water to hydrogen as fuel for transportation purposes.

Gallium shows strong enrichment at Tsumeb, though it has never been recovered from the deposit. In the Ongava Project area, gallium has been identified by Sabre in some unusual sulphides and as a component of mottramite and descloizite, where it comprises up to 1.5% of the mineral. Like germanium, gallium is produced as a by-product of suitable copper, lead and zinc ores, so Sabre's exploration focus requires little change. Gallium will be assayed in Sabre's sampling programmes.

Figure 7 – Gallium metal melting in the hand (top) and blue LEDs (bottom).

Gold

In the Otavi Mountain Land, gold (Figure 8) was commercially extracted from the giant Tsumeb deposit, in which it occurs as an accessory mineral. However, gold has been recently reported in geochemical analyses of various rock types at several sites throughout the Otavi Mountain Land, including several localities situated in the Ongava Project area. Sabre will attempt to verify these analyses through independent assays in the coming months.

Figure 8 – Gold bullion.

B. Styles of mineralisation

Several distinct styles of mineralisation are evident throughout the Otavi Mountain Land. Sabre recognises two main types of sulphide mineralisation, namely Tsumeb-type copper-lead-zinc, and Berg Aukas-type lead-zinc, whose characteristics vary from site to site according to the local geological controls. There is also weathering-related vanadium-rich copper-lead-zinc mineralisation that overprints the earlier styles of mineralisation. In addition, work by Sabre and industry-renowned consultants indicates that the region has very good potential for Zambian Copperbelt-type mineralisation.

Berg Aukas-type lead-zinc mineralisation

The Berg Aukas-type mineralisation (Figure 9) is dominated by zinc and lead sulphides and is the earliest style of base metal mineralisation in the region. Copper sulphides and silver are also present in subordinate quantities. Historically, this style of mineralisation has been compared to Mississippi Valley-Type (MVT) lead-zinc deposits, which are recognised worldwide and are a globally important source of these metals. The deposits are breccia-hosted and can be very coarse-grained. Deposits and prospects of this style in the Ongava Project area include Border-Irvington and Driehoek, as well as South Ridge, Teco, Harasib Claims (Harasib 3) and Pick Axe.

Figure 9 – Zinc sulphide (greenish) and lead sulphide (galena) from Border, a Berg Aukas-type deposit.

Tsumeb-type copper-lead-zinc mineralisation

The Tsumeb-type mineralisation (Figure 10) is copper and lead dominated, but contains significant proportions of zinc, vanadium, gold, silver and germanium. The largest deposit of this style was Tsumeb, which produced 30Mt of ore grading at 10.45% lead, 4.42% copper, 3.49% zinc, and 125g/t silver. Other deposits of this type in the region include Kombat and Gross Otavi. Mineralisation post-dates the Berg Aukas-type deposits, and most are deeply weathered near to surface. As such, the style of some of the prospects identified at Ongava is unclear, but their copper-dominant character suggests that they are Tsumeb-type prospects.

Figure 10 – The copper sulphides chalcopyrite (golden) and bornite (violet) from a Tsumeb-type deposit.

Supergene vanadium-copper-lead-zinc mineralisation

Sulphide-rich deposits are highly susceptible to weathering by oxygen in the atmosphere, rain water and groundwater. In the Otavi Mountain Land, weathering of both the Berg Aukas-type and the Tsumeb-type deposits results in the development of vanadium-rich fracture and cavity-controlled styles of copper, lead and zinc mineralisation at and near surface (Figure 11). Numerous such prospects and deposits exist at Ongava, including Uitsab, Harasib Claims (Harasib 3), Tigerschlught, Wolkenhauben and many others. These 'supergene' deposits commonly obliterate distinguishing characteristics of the underlying sulphide deposits, so distinction between Berg Aukas-type and Tsumeb-type is commonly not clear.

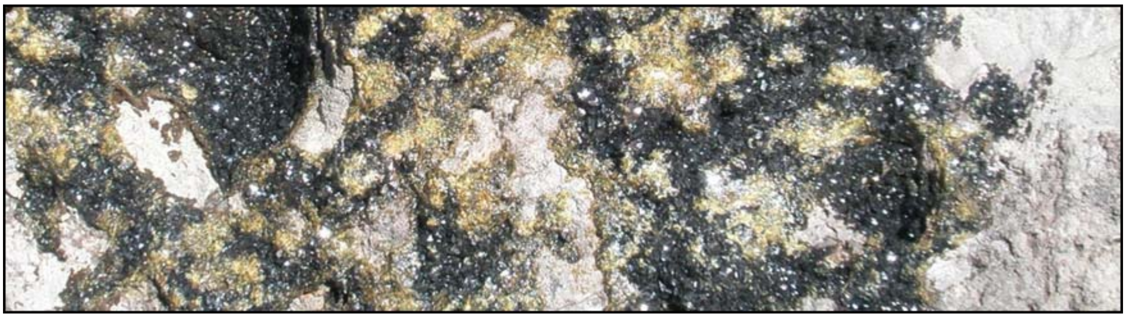


Figure 11 – Descloizite (black to yellow-green) from Uitsab, a supergene vanadium-copper-lead-zinc deposit.

Zambian Copperbelt-type copper mineralisation

A regional prospectivity study of the Otavi Mountain Land and surrounds by consultant Douglas Haynes Discovery Pty Ltd indicates very good potential for Zambian Copperbelt-style copper mineralisation throughout the region. The Zambian Copperbelt is one of the world's important sources of copper and is located in similar rocks in Zambia around 1000km northeast of Otavi Mountain Land (Figure 12). Geologists have drawn correlations between the two regions which are separated by Kalahari sand plains and the Okavango River. The deposits of the Zambian Copperbelt are copper-rich and are typically hosted by sandstone units adjacent to faults and/or carbonaceous shales. Several possible targets in the Ongava project area include Lucas Post and Gauss amongst others. Though not recognised as such, the Nosib deposit and the large, low-grade Tschudi deposit north of Ongava have many similar characteristics to the Zambian Copperbelt style of deposits, and may represent such deposits in the region.

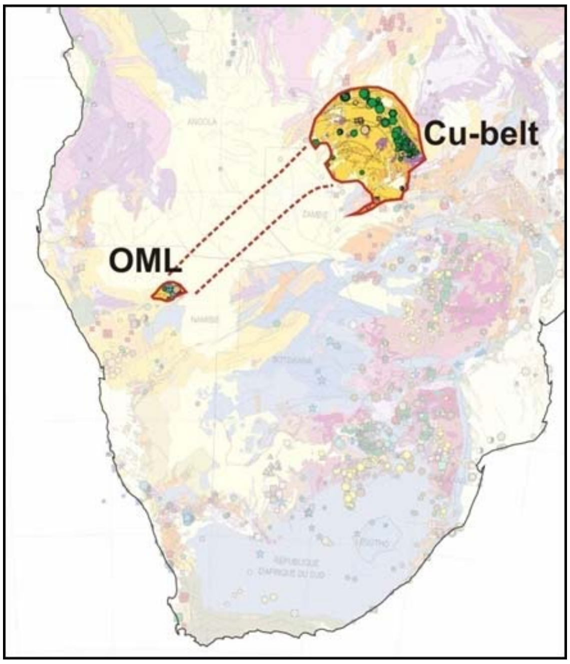


Figure 12 – Correlation of the Otavi Mountain Land (OML) with the Zambian Copperbelt (Cu-belt) beneath younger cover sediments.

C. Acquisition of GIS Exploration Dataset

Sabre has devoted considerable resources to the acquisition of a comprehensive GIS (Geographic Information System) dataset over the project area and its surrounds. This dataset comprises much of the exploration undertaken over the Otavi Mountain Land since the 1970s and is comprised of exploration data generated by a number of different companies including Tsumeb Corporation, Etosha Petroleum, Eland Exploration and Goldfields of Namibia. Datasets acquired for the Otavi Mountain Land include Landsat imagery, regional gravity data, magnetic and radiometric surveys, regional and local geological mapping (government and private), deposit drill databases (~100 drill holes, pits and costeans), and surface geochemical sampling (>80,000 sample sites) (Figure 13).

The value of these datasets cannot be understated and would take many years, and millions of dollars to generate from 'scratch'. This acquisition has enabled us to accelerate our work programme within the Ongava Project area and has allowed the early identification of numerous exploration targets.

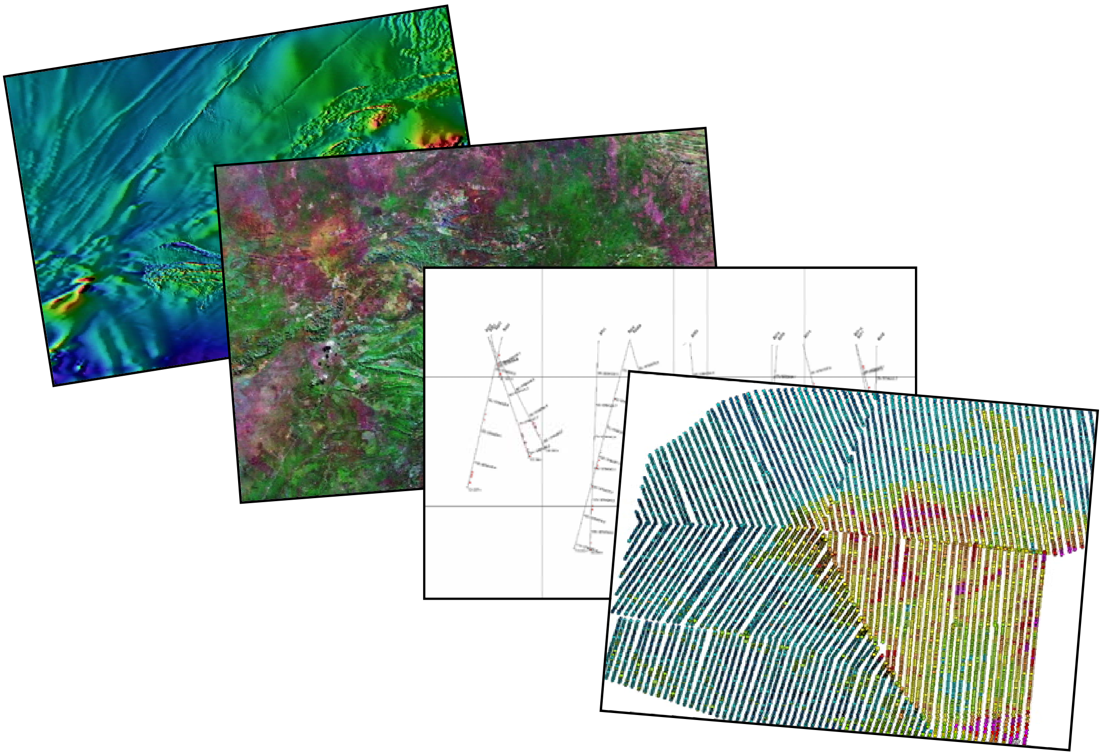


Figure 13 – Aeromagnetics, Landsat, drillhole database and soil geochemistry – some of the datasets acquired by Sabre.

D. Exploration of the Border-Irvington system

The Border-Irvington lead-zinc-silver system comprises the Border deposit, the newly discovered Irvington prospect, and their strike extents. The system is presently recognised to be 2.5km long, up to 100m thick, and dipping at around 60° to the north-northwest. It is located around 35 kilometres southeast of Tsumeb (around 30 mins drive) and is accessible by sealed highways and farm access tracks. Previous exploration of the area focussed on the Border deposit only.

Border has undergone two main phases of exploration, firstly by Etosha Petroleum Company Pty Ltd in the 1970s, then by Goldfields Namibia Limited in the mid-1990s. These earlier efforts aimed to develop an underground mine whereas Sabre's focus is on developing an open-pittable resource. Based on drilling of around 20 diamond drillholes and a strike length limited to 650m at Border, Goldfields Namibia defined an exploration target at Border of:

12 Million Tonnes @ 5-6% Lead & Zinc*.

Sabre has adopted these figures as our exploration target.

Discovery of the Irvington lead-zinc-silver prospect

Detailed geological mapping at Border and to the west showed that lead and zinc mineralisation is considerably more extensive than the footprint of previous drill programmes. At Irvington, abundant coarse-grained lead and zinc sulphide mineralisation is exposed on a prominent hill 600m west of Border. The hills are separated by soil plains on which there are occasional outcrops containing sulphides. Previous reports do not mention the presence of mineralisation in these hills to the west, nor is there any evidence on the ground of previous exploration in the area. Consequently, this mineralisation is considered to be a new discovery by Sabre.

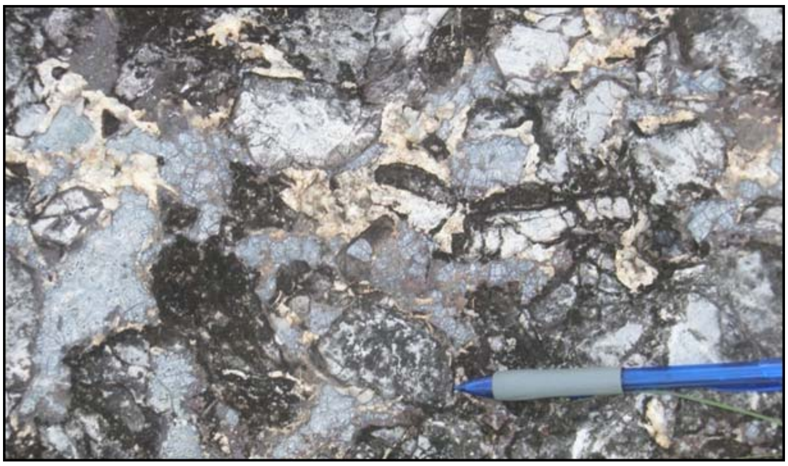


Figure 14 – Fist-sized clots of galena exposed in outcrop at Irvington.

Lead and zinc mineralisation has the same style at Irvington and Border. Galena (lead sulphide) and sphalerite (zinc sulphide) are hosted by veining and brecciation. Spectacular fist-sized clots of galena are seen in outcrop at both areas (Figure 14). Mineralisation is

* 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 (Border).

restricted to defined horizons of massive to brecciate dolomitic siltstone of the Elandshoek Formation of the Otavi Group of sedimentary rocks. These broad zones of mineralisation are subparallel to the east-northeast trend of faulting and folding.

Drilling

A programme comprised of 38 drillholes was designed for the Border-Irvington system (Figure 15). The drill pattern is locally restricted where outcrops prevent access with the current drill rigs, but the central part of the programme is spaced at 50x200m. At Irvington and in the eastern extensions to Border, a 100x200m pattern is used. All holes are angled steeply (generally 60°) towards a bearing of 170° in order to directly intercept the steeply north-dipping mineralisation. The programme required reverse circulation drilling for precollars at Border and for exploratory holes at Irvington and to the east, and diamond drilling to intercept mineralisation at Border.

Drilling is completed, with core logging and sample preparation ongoing on site. Samples are being prepared by Genalysis in Johannesburg, and are being assayed by Genalysis in Perth. Sabre presently awaits the results of the drill programme.

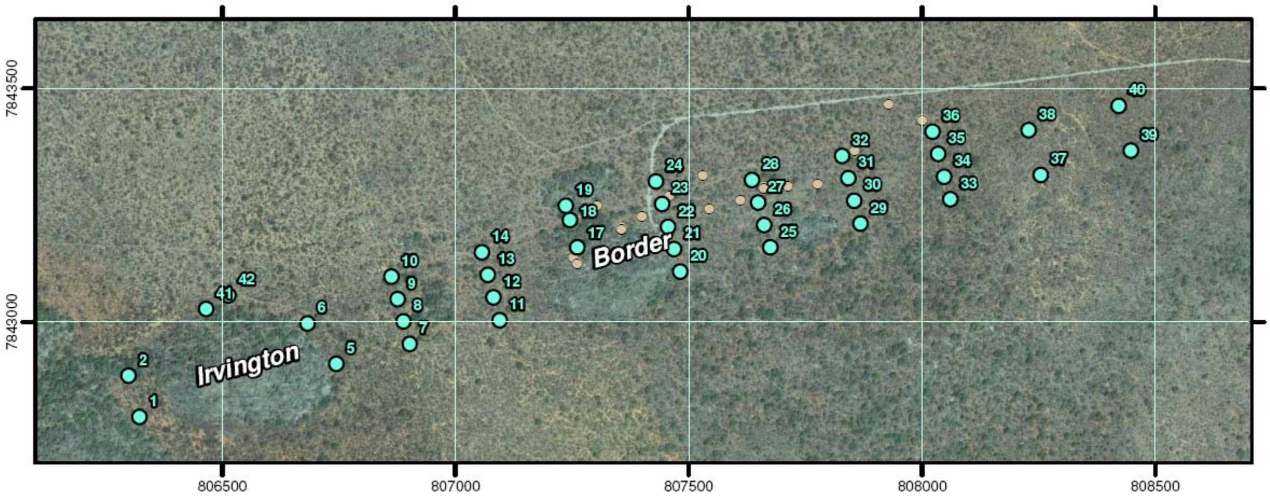


Figure 15 – Sabre's drill programme (blue) at Border and Irvington. Previous drillhole collars are marked by beige circles.

Strong lead and zinc mineralisation (Figure 9) has been intercepted at numerous intervals within a broad ~40 to 80 m thick halo of disseminated and vein-hosted sulphides. Modelling shows that coherent mineralised zones correlate between drill cores, and that the deposit dips steeply northward.

Potential of the Border-Irvington system

The total strike length of the Border-Irvington system is over 2500m. This is limited to the east by soil cover and to the west by present mapping coverage, so probably does not represent the full lateral extent of the system. The westernmost extent of Irvington identified to date is approximately halfway between Border (1.5km) and the Nosib H lead-zinc prospect to the east (1.6km) (Figure 16). Given that Nosib H is hosted by the same sedimentary strata as the Border-Irvington system, it is hoped that further mapping of the hills to the west will result in the discovery of more lead and zinc mineralisation in outcrop and further extend the strike length of Border-Irvington.

Figure 16 – Diagram showing the extent of visible lead and zinc sulphides at Border and Irvington. The previously defined extent (650m) at Border is shown in pale green. The present extent (2500m) is shown as a red bold line. Mineralised zones are open to the east and west. To the east, soil cover obscures mineralisation. To the west, more mapping is required, but mineralisation could conceivably extend to Nosib H prospect (500m grid).

Sabre's exploration target of 12 million tonnes @ 5-6% lead & zinc[*] is sourced from historic exploration at Border. This was based on around 20 drillholes and a known strike extent of 650m. However, given the nearly four-fold increase in the length of the Border-Irvington system to 2500m as defined by Sabre, the potential must now be greater than this previous estimate. This first phase of drilling is not expected to result in such high tonnages – these will require deeper drilling to extend mineralisation downwards – but should place Sabre in a good position to exceed these exploration targets with subsequent phases of drilling.

[*] 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 and Gold Fields Namibia Ltd.

E. Exploration of the Driehoek system

The Driehoek lead-zinc-silver system is located about 39 km south of Tsumeb and around 15 km northeast of the Kombat copper mine. Exploration was undertaken by Gold Fields of Namibia in the 1990s with numerous shallow holes drilled. Based on this drilling, Gold Fields calculated tonnages and grades as follows:

Driehoek North and Central	**2.8+ Million Tonnes @ ~4% Lead & Zinc*.**
Driehoek East	**0.5+ Million Tonnes @ ~5% Lead & Zinc*.**

Such calculated values do not comply with JORC requirements, so Sabre has adopted these values as our exploration targets.

At Driehoek, lead and zinc sulphide mineralisation at the Driehoek North, Central and East deposits is located on hilltops which are inaccessible with the currently available drill rig. A man-portable rig will be required to test the main mineralised zones on the hilltops in future programmes. Previous work suggests that the mineralisation is located on the limbs of an anticline. As such, in the north of the deposit, mineralisation dips gently northwestward, and in the south of the deposit, mineralisation dips gently southeastward. Sabre has since identified mineralisation outcropping south of the known mineralised area, which prompted the initial drill programme. An exploratory programme of twelve holes was designed to test the outer limits of the Driehoek system (Figure 18). Total planned metreage was 1500m, with the deepest hole being 180m deep. All holes are being drilled at 60° towards the north. Chip logging and sample preparation is currently underway. Assay results will be announced as they become available.

Should holes from this first phase of drilling intersect lead and zinc sulphides, they will substantially increase the footprint of mineralisation and therefore the potential of Driehoek. However, considering that this phase of drilling falls well outside of previous drill patterns and the known distribution of high-grade mineralisation, future testing of Driehoek will not rely on substantial results from this programme. Subsequent drilling of Driehoek will be undertaken at and around the deposits once a man-portable rig becomes available regardless of the results of the present programme.

In addition to the known deposits at Driehoek North, Central, and East, the second phase of drilling will focus on a number of adjacent targets identified by Sabre. In particular, a very strong soil geochemical anomaly (in excess of 2.5% combined lead and zinc) trends from Driehoek North directly eastward for around 750m (Figure 17). This soil anomaly has not been tested by previous exploration. It is clear from initial interpretations that this mineralisation is largely following the trend of bedding. However, in order to better constrain controls on mineralisation and ultimately provide the most efficient method of drill-testing the Driehoek deposits and surrounding targets, a detailed structural geological mapping programme will be undertaken.

---

* The potential quantity and grade of the Driehoek deposits 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 Gold Fields of Namibia Ltd.

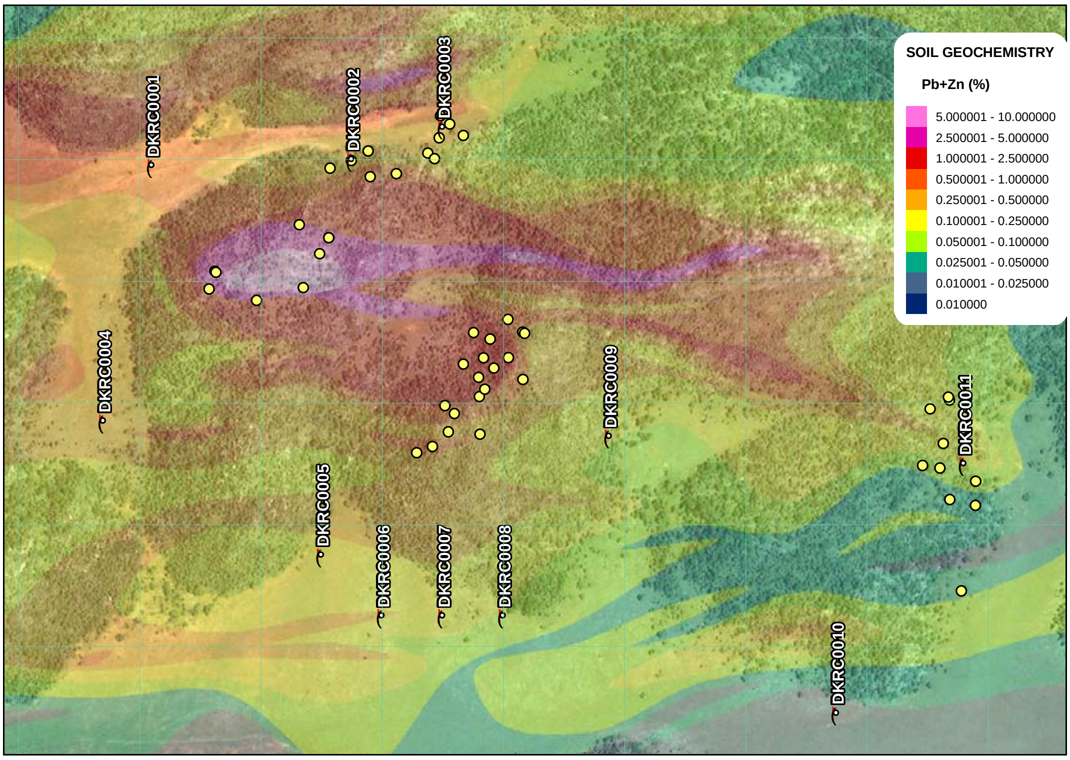
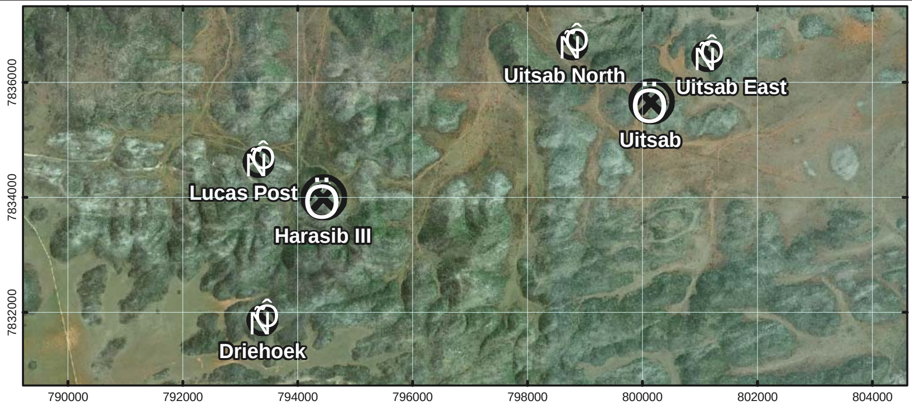


Figure 17– Driehoek RC drilling programme overlaid on soil geochemistry and satellite imagery. Treed areas in the underlying satellite imagery correspond to hills. It is these hilltops that coincide with most known mineralisation. Drilling is targeting northward, westward, and down-dip (southward) extensions to mineralisation. Pale yellow dots correspond to historic drill collar locations (200m grid).

F. Other deposits and prospects

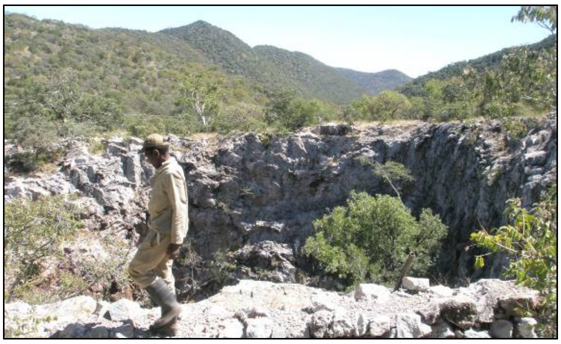
Initial assessments were made on a number of other prospects held by Sabre. We recognise the importance of copper and other metals in today's market and are assessing our prospects to define our regional targeting strategy. Our initial focus on lead and zinc is a result of relatively recent historic exploration and attempted resource definition at both Border and Driehoek.

However, several older historic mine sites fall within our exploration licence, including the Uitsab and Harasib III (Harasib Claims) mines (Figure 18). These were exploited from the 1920s through to the 1940s and, to our knowledge, have not been seriously explored since. The main ore minerals were descloizite (a zinc(-lead-copper) vanadate), copper descloizite (a copper-zinc(-lead) vanadate), and mottramite (a copper vanadate). These are important vanadium ore minerals that are also exploited for copper, lead and zinc, and can contain appreciable germanium and gallium. Current theory indicates that these vanadium minerals form by the alteration of primary sulphide minerals. Therefore, it is highly likely that primary copper, lead and zinc sulphides are present in the vicinity of Uitsab and Harasib Claims, most likely below the known vanadium deposits. Drilling and geophysics will be required to assess the potential of these deposits at depth.



Locations of Harasib III (Harasib Claims) and Uitsab relative to Driehoek. (2km grid)

Waste dumps from multi-level underground workings at Harasib III.



The vertical-sided pit at Uitsab

Figure 18 – Historic mine sites at Harasib III (Harasib Claims) and Uitsab.

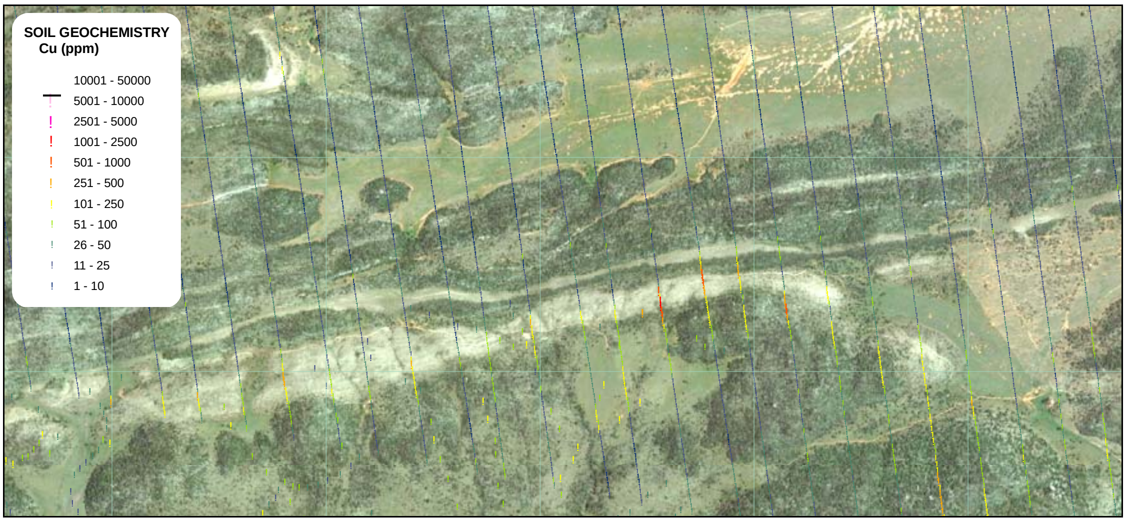


Figure 19 – Gauss copper prospect is defined by highly anomalous soil geochemistry results (1km grid).

Other prospects require further analysis. The Gauss copper prospect (Figure 19), which to our knowledge has not been previously explored, is defined by the bedding-controlled distribution of copper-anomalous soil geochemistry samples ranging up to 0.2% Cu. Given that copper is commonly depleted in soils relative to the underlying rock, this represents a strong anomaly. The main zone is around 700m strike length, but is located within an anomalous horizon that can be reliably traced for around 8km on Sabre's ground. A brief inspection confirmed spotty malachite mineralisation locally, despite the inaccessibility of the main anomalous zone at the time. Further assessment will be performed in the coming months.

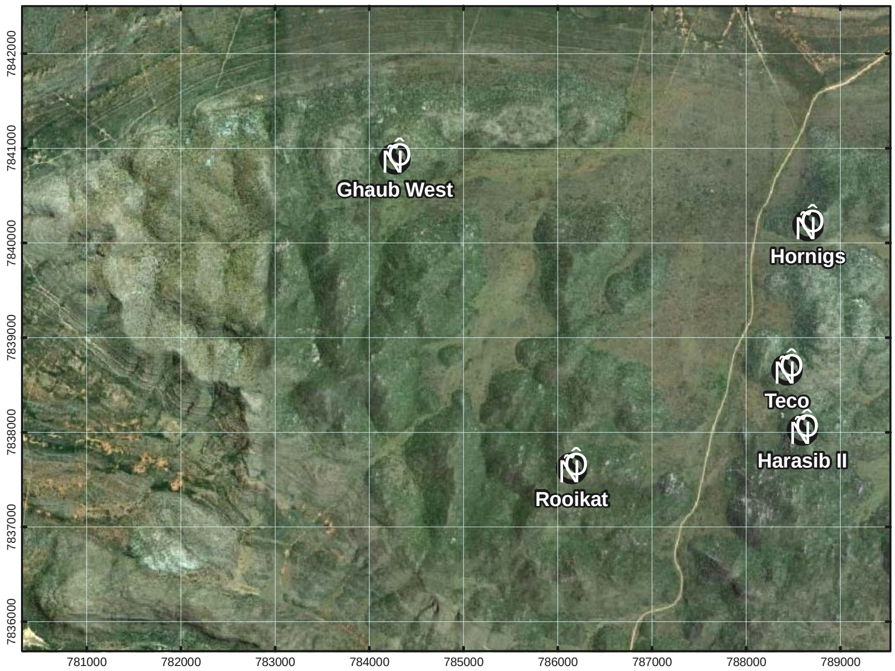


Figure 20 – Location of the Ghaub West and Rooikat anomalies (1km grid).

The Ghaub West lead-zinc-copper anomaly and the Rooikat copper anomaly (Figure 20) have both been identified by Sabre as broad soil geochemistry anomalies in areas of relatively flat-lying dolomite strata. An initial inspection of a small portion of the Ghaub West prospect showed minor malachite, sphalerite and galena. Rooikat is yet to be investigated but is a broad bulls-eye copper anomaly around 1.4km in diameter. These and the remainder of the 30-odd prospects situated within Sabre's licence will be assessed in the near future.

G. Exploration programme development

Work is currently underway on the development of a strategic regional exploration programme. Given the broad licence area (~800km^2), the large number of prospects, the potential for other styles of mineralisation (e.g. Zambian Copperbelt style copper, blind lead-zinc and copper mineralisation under cover), and the potential for significant concentrations of other commodities (e.g. gold, silver, germanium, gallium), a regional assessment and ranking programme will allow strategic targeting throughout the region. This assessment will be constantly updated as new information comes to hand. It has already identified a number of prospects, such as Gauss, Ghaub West, and Rooikat, and old mine sites like Harasib Claims and Uitsab that require further investigation.

2) GNAMMA DAM PROJECT, WESTERN AUSTRALIA

The Gnamma Dam project in Western Australia was relinquished within the June quarter. Relinquishment of the tenements is consistent with Sabre's focus on the highly prospective Ongava Project in Namibia, which leaves little time for the work required at Gnamma Dam. It was also felt that this project was not as prospective as Ongava, and that an inordinate time commitment would be required to adequately explore the tenements and maintain tenure.

3) MKUNJU AND MADABA PROJECTS, TANZANIA

Sabre has no further interest in Tanzania. The Madaba licence was relinquished in July 2008 and we have recently received advice that our applications for renewal of the Mkunju licences lodged in June 2007 were unsuccessful.

Competent Person Declaration
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter, who is a member of The Australasian 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 "Australasian 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 they appear.

The Directors present their report on Sabre Resources Ltd ("the Company") and its controlled entities for the year ended 30 June 2008.

DIRECTORS

The Directors of the Company during or since the end of the financial year were:-

Alexander Clemen
Jonathan Downes (appointed 13 December 2007)
Michael Scivolo
David Zukerman

Shares and options of Sabre Resources Ltd held by Directors at the date of this report:

Director	Shares	Options
Alexander Clemen	10	300,000
Jonathan Downes	-	-
Michael Scivolo	-	300,000
David Zukerman	10	300,000

The options held by the Directors are exercisable at 15 cents each at any time up to the expiry date of 30 November 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company and its controlled entities is mineral exploration.

RESULTS

The operating loss for the financial year after providing for income tax amounted to $988,501 (2007: $272,110).

DIVIDENDS

Since the end of the previous financial year, no dividend has been declared or paid by the Company. The Directors do not recommend the payment of a dividend.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

(a) With the exception of Mr Downes, who was appointed to fill a casual vacancy on 13 December 2007, the Directors were in office for the entire period. Their qualifications, experience and special responsibilities are as follows:-

(i) Alexander Clemen B.Sc (Hons), MAusIMM

Mr Clemen is a qualified geologist with over 25 years experience in this field. He has worked for several large, international mining companies in various parts of the world and is experienced in exploring for gold, base metals, uranium, industrial minerals and diamonds. For the past three years he has also served as a Director of Metals Australia Ltd and Golden Deeps Ltd.

(ii) Jonathan Downes B.Sc (Geol), MAIG

Mr Downes has over thirteen years experience in the minerals industry, and has worked in various geological and corporate capacities. He has experience in nickel, gold and base metals, and has been intimately involved with numerous private and public capital raisings. Mr Downes is currently the Managing Director of Ironbark Gold Limited and a non-Executive Director of Graynic Metals Limited and Wolf Minerals Limited.

(iii) David Zukerman

Mr Zukerman has an accounting and finance background. He has held a number of public company directorships in Australia and Asia during the past 25 years, and for the past three years he has served as a Director of Metals Australia Ltd and Golden Deeps Ltd, and, formerly, Tiger Resources Ltd.

(iv) Michael Scivolo B. Comm, FCPA

Mr Scivolo has extensive experience in the fields of accounting and taxation in both corporate and non-corporate entities. He was formerly a Director of Tiger Resources Ltd.

(b) The Company Secretary was in office for the entire period and his qualifications and experience are as follows:-

Norman Grafton FCPA, FCIS – Company Secretary

Mr Grafton has extensive experience in both Australian and international commerce, having previously been based in Singapore, Indonesia, Papua New Guinea and Jamaica. Prior to returning to Australia, he was Director of Finance and Company Secretary of the largest agro-industrial operation in Jamaica, on secondment from a major UK firm of corporate managers. During the last three years, he held a Directorship in Orchid Capital Limited.

REMUNERATION REPORT (AUDITED)

2008

Key Management Personnel	Short-term Benefits		Share-based Payment	
	Directors Fees	Consulting Fees	Options	Total
	$	$	$	$
A Clemen	12,000	64,750	31,500	108,250
J Downes (Appointed 13 December 2007)	7,194	-	-	7,194
M Scivolo	13,890	-	31,500	45,390
D Zukerman	-	22,307	31,500	53,807
	33,084	87,057	94,500	214,641

2007

Key Management Personnel	Short-term Benefits		Share-based Payment	
	Directors Fees	Consulting Fees	Options	Total
	$	$	$	$
A Clemen	12,000	500	-	12,500
B McCullagh (Resigned 3 October 2006)	3,270	16,923	-	20,193
M Scivolo	9,000	-	-	9,000
D Zukerman	-	15,002	-	15,002
	24,270	32,425	-	56,695

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

The Company does not have any officers or senior executives, other than the Directors.

Non-executive Directors receive a fixed fee, with Executive Directors being remunerated for any professional services conducted for the Company.

Directors received benefits in the form of share-based payments. On 14 September 2007, shareholders approved the grant of 300,000 options to each of the Directors. The options are exercisable at 15 cents per option at any time up to their expiry date of 30 November 2008. The fair value of the options was determined using the Black Scholes formula. No options lapsed or were exercised during the period under review.

There are no retirement schemes for any Directors or any loans or any other type of compensation.

Board policy on the remuneration for this exploration Company is influenced by comparing fees paid to directors in other companies within the exploration industry, and then set at a level to attract qualified people, to accept the responsibilities of directorship. No director, executive or employee has an employment contract.

Being an exploration company, with no earnings, a relationship is yet to be established between an emolument policy and the company's performance.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2008, and the number of meetings attended by each Director.

Name	Eligible to attend	Attended
Alexander Clemen	7	7
Jonathan Downes (Appointed 13 December 2007)	1	1
Michael Scivolo	7	7
David Zukerman	7	7

RETIREMENT, ELECTION AND CONTINUATION OF OFFICE OF DIRECTORS

Mr Clemen retired by rotation as a Director at the Annual General Meeting on 13 November 2007 and was re-elected.

At the forthcoming Annual General Meeting, Mr Scivolo retires by rotation as a Director and offers himself for re-election.

Mr Downes was appointed to fill a casual vacancy on 13 December 2007, and will also offer himself for election at the forthcoming Annual General Meeting.

ENVIRONMENTAL ISSUES

The Company's objective is to ensure that a high standard of environmental care is achieved and maintained on all properties. There are no known environmental issues outstanding.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

SHARE OPTIONS

As at the date of this report, the following options have been granted over unissued ordinary shares in the Company:

(a) 23,000,000 unlisted options, each exercisable for one ordinary share on or before 31 December 2012 at an exercise price of 10 cents each, and

(b) 1,500,000 ASX listed options, each exercisable for one ordinary share on or before 30 November 2008 at an exercise price of 15 cents each, and

(c) 14,000,000 ASX listed options, each exercisable for one ordinary share on or before 27 January 2010 at an exercise price of 35 cents each, and

(d) 250,000 unlisted options, each exercisable for one ordinary share on or before 1 November 2010 at an exercise price of 30 cents each, and

(e) 250,000 unlisted options, each exercisable for one ordinary share on or before 1 November 2010 at an exercise price of 40 cents each.

No option holder has any right under the options to participate in any other issue of the Company, or any other entity.

No shares have been issued through the exercise of options during or since the end of the financial year.

No options have been granted since the end of the financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Company and its controlled entities during the financial year, other than as noted in this financial report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independent auditor's declaration as required by section 307c of the *Corporations Act 2001*, is set out on page 51.

NON AUDIT SERVICES

Grant Thornton did not provide any other services.

This report is made in accordance with a resolution of the Directors and Section 298(2) of the *Corporations Act 2001*.

D N Zukerman
DIRECTOR

Dated this thirtieth day of September 2008.
Perth, Western Australia

SABRE RESOURCES LTD
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Revenue	4	124,869	5,152	124,861	5,152
Expenditure					
Depreciation		4,326	257	1,220	257
Exploration expenditure		21,367	40,330	21,367	40,330
Management fee		341,074	12,500	341,074	12,500
Directors' fees and services		55,391	39,272	55,391	39,272
Other expenses		174,843	94,727	146,569	94,727
Occupancy costs		279,119	67,060	269,329	67,060
Option issues expensed		237,250	23,116	237,250	23,116
Provision against loans to subsidiaries		-	-	606,621	-
		1,113,370	277,262	1,678,821	277,262
Loss before income tax		(988,501)	(272,110)	(1,553,960)	(272,110)
Income tax	5	-	-	-	-
Loss after income tax	16	**(988,501)**	**(272,110)**	**(1,553,960)**	**(272,110)**

Earnings per share		**Cents**	**Cents**
Loss per share	18	(1.6)	(1.0)

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD
BALANCE SHEET
AS AT 30 JUNE 2008

	Note	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
CURRENT ASSETS					
Cash and cash equivalents	8	1,928,213	60,488	1,869,631	60,488
Trade and other receivables	9	28,298	7,723	27,970	7,723
TOTAL CURRENT ASSETS		1,956,511	68,211	1,897,601	68,211
NON-CURRENT ASSETS					
Plant and equipment	10	31,980	2,056	6,236	2,056
Exploration	11	8,789,070	-	-	-
Other financial assets	12	-	-	8,364,554	-
TOTAL NON-CURRENT ASSETS		8,821,050	2,056	8,370,790	2,056
TOTAL ASSETS		**10,777,561**	**70,267**	**10,268,391**	**70,267**
CURRENT LIABILITIES					
Trade and other payables	13	81,989	62,843	77,677	62,843
TOTAL CURRENT LIABILITIES		81,989	62,843	77,677	62,843
TOTAL LIABILITIES		**81,989**	**62,843**	**77,677**	**62,843**
NET ASSETS		**10,695,572**	**7,424**	**10,190,714**	**7,424**
EQUITY					
Issued capital	14	27,703,957	16,203,957	27,703,957	16,203,957
Share option reserve	15	643,966	406,716	643,966	406,716
Foreign currency translation reserve		(60,601)	-	-	-
Accumulated losses	16	(17,591,750)	(16,603,249)	(18,157,209)	(16,603,249)
TOTAL EQUITY		**10,695,572**	**7,424**	**10,190,714**	**7,424**

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

CONSOLIDATED ENTITY

	Issued Capital $	Option Reserve $	Foreign Currency Translation Reserve $	(Accumulated Losses) $	Total $
Balance as at 1 July 2006	**16,203,957**	**288,600**	**-**	**(16,331,139)**	**161,418**
Grant of options	-	123,116	-	-	123,116
Less option placement fee	-	(5,000)	-	-	(5,000)
Loss attributable to members of parent entity	-	-	-	(272,110)	(272,110)
Balance as at 30 June 2007	**16,203,957**	**406,716**	**-**	**(16,603,249)**	**7,424**
Issue of shares	11,500,000	-	-	-	11,500,000
Grant of options	-	237,250	-	-	237,250
Foreign currency translation	-	-	(60,601)	-	(60,601)
Loss attributable to members of parent entity	**-**	**-**	**-**	(988,501)	(988,501)
Balance as at 30 June 2008	**27,703,957**	**643,966**	**(60,601)**	**(17,591,750)**	**10,695,572**

PARENT ENTITY

	Issued Capital $	Option Reserve $	Foreign Currency Translation Reserve $	(Accumulated Losses) $	Total $
Balance as at 1 July 2006	**16,203,957**	**288,600**	**-**	**(16,331,139)**	**161,418**
Grant of options	-	123,116	-	-	123,116
Less option placement fee	-	(5,000)	-	-	(5,000)
Loss attributable to members of parent entity	-	-	-	(272,110)	(272,110)
Balance as at 30 June 2007	**16,203,957**	**406,716**	**-**	**(16,603,249)**	**7,424**
Issue of shares	11,500,000	-	-	-	11,500,000
Grant of options	-	237,250	-	-	237,250
Loss attributable to members of parent entity	-	-	-	(1,553,960)	(1,553,960)
Balance as at 30 June 2008	**27,703,957**	**643,966**	**-**	**(18,157,209)**	**10,190.714**

The accompanying notes form part of these financial statements

SABRE RESOURCES LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Cashflow from operating activities					
Payments to suppliers		(912,515)	(161,345)	(817,776)	(161,345)
Interest received		124,869	3,625	124,861	3,625
Net cash inflow/(outflow) from operating activities	17(a)	(787,646)	(157,720)	(692,915)	(157,720)
Cashflow from investing activities					
Proceeds from sale of assets		-	1,527	-	1,527
Advances to subsidiaries		-	-	(606,621)	-
Purchase of fixed assets	10	(34,192)	(2,313)	(5,400)	(2,313)
Exploration expenditure	11	(810,437)	(40,330)	(385,921)	(40,330)
Net cash inflow/(outflow) from investing activities		(844,629)	(41,116)	(997,942)	(41,116)
Cashflow from financing activities					
Proceeds from issue of shares		3,500,000	-	3,500,000	-
Proceeds from issue of options		-	95,000	-	95,000
Net cash inflow from financing activities		3,500,000	95,000	3,500,000	95,000
Net increase/(decrease) in cash and cash equivalents held		1,867,725	(103,836)	1,809,143	(103,836)
Cash and cash equivalents at the beginning of the financial year		60,488	164,324	60,488	164,324
Cash and cash equivalents at the end of the financial year	8	1,928,213	60,488	1,869,631	60,488

The accompanying notes form part of these financial statements

1. CORPORATE INFORMATION

The financial report of Sabre Resources Ltd (the Company) for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 30 September 2008.

Sabre Resources Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange and the Berlin and Frankfurt Stock Exchanges.

The nature of the operations and principal activity of the Group is mineral exploration.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on an accruals basis and on a historical cost basis, except for financial assets and liabilities, which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(c) New Accounting standards and interpretation

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected		Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 6	Exploration for and Evaluation of Mineral Resources	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report	1.1.2009	1.7.2009
	AASB 107	Cash Flow Statements			
	AASB 127	Consolidated and Separate Financial Statements			
	AASB 134	Interim Financial Reporting			
	AASB 136	Impairment of Assets			
AASB 8 Operating Segments	AASB 114	Segment Reporting	As above	1.1.2009	1.7.2009

AASB Amendment	Standards Affected		Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.7.2009
	AASB 101	Presentation of Financial Statements			
	AASB 107	Cash Flow Statements			
	AASB 116	Property, Plant and Equipment			
	AASB 138	Intangible Assets			
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above	1.1.2009	1.7.2009
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009	1.7.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	1.1.2009	1.7.2009

Adoption of new accounting standard

The group has adopted AASB 7 *Financial Instruments: Disclosures* and all consequential amendments which has become which became applicable on 1 January 2007. The adoption of this standard has only affected the disclosure in these financial statements. There has been no affect on profit and loss or the financial position of the entity.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Sabre Resources Limited and its subsidiaries ('the Group').

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Sabre Resources Limited has control.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately for the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(e) Interest in joint venture operation

The Group's interest in any joint venture operation is accounted for by recognising the Group's assets and liabilities from the joint venture, as well as expenses incurred by the Group and the Group's share of income earned from the joint venture, in the consolidated financial statements.

(f) Foreign currency translation

The functional and presentation currency of Sabre Resources Ltd, Raslot Pty Ltd and Link National Pty Ltd is Australian Dollars (A$), and the functional and presentation of Sabre Resources Namibia (Pty) Ltd is Namibian Dollars (N$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences in the consolidated financial report are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of any overseas subsidiaries would be translated into the presentation currency of Sabre Resources Limited at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

(g) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 3 to 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(h) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination’s synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(i) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(j) Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. that date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or conversion in the market place.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category “financial assets at fair value through profit or loss”. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables
Loans and receivables, including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale-investments
Available-for-sale-investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate economic component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

(k) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable through the successful development, or sale, of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(l) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(m) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected

future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.
Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Share-based payment transactions

(i) Equity settled transactions:
The Group provides benefits to management personnel and consultants of the Group in the form of share-based payments whereby personnel render services in exchange for shares.

The cost of these equity-settled transactions with management personnel and consultants was measured by reference to the fair value of the equity instruments at the date on which they were granted. The fair value was determined using the Black-Scholes formula.

In valuing equity-settled transactions, no account was taken of any performance conditions, other than conditions linked to the price of the shares of Sabre Resources Ltd (market conditions). The cost of equity-settled transactions was recognised, together with the corresponding increase in equity, on the date of grant of the options.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(ii) Cash settled transactions:
The Group does not provide benefits to employees in the form of cash-settled share based payments.

Any cash-settled transactions would be measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each balance sheet date up to and including the settlement date with changes in fair value recognised in profit or loss.

(p) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders’ right to receive the payment is established.

(q) Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and,

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(r) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(t) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the parent, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net loss attributable to members of the parent, adjusted for:

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Comparatives

Certain comparatives have been reclassified where necessary to be consistent with the current year's disclosures.

3. Significant Accounting Judgments, Estimates and Assumptions

In applying the Group's accounting policies, management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i) Significant accounting judgments include:

(a) Provision for investments in and loans to subsidiaries

Investments in, and loans to, subsidiaries are fully provided for until such time as subsidiaries are in a position to repay loans.

(b) Exploration expenditure

The Group determines whether exploration expenditure is impaired on at least an annual basis, based on historical information and best available current information. This requires

an estimation of the recoverable amount. The assumptions used in this estimation of the recoverable amount are discussed in note 2 (k).

(ii) Significant accounting estimates and assumptions include:

(a) Share-based payment transactions

The Group measures the cost of equity-settled transactions with management personnel and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model, with the assumptions detailed in note 7. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The Group measures the cost of cash settled share-based payments at fair value at the grant date using the black Scholes formula taking into account the terms and conditions under which the instruments were granted

(b) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation calculations are included in note 10.

4. Revenue

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Interest Earned	124,869	3,625	124,861	3,625
Profit on Sale of Fixed Asset	-	1,527	-	1,527
	124,869	5,152	124,861	5,152

5. Income Tax

	Consolidated 2008 $	Parent Entity 2008 $
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from original activities before income tax at 30%	(317,910)	(487,548)
Add:		
Tax effect of:		
Other non-allowable items	101,370	283,356
Other assessable items		
Provisions	(1,500)	(1,500)
Deferred tax asset not brought to account	220,978	208,630
	320,848	490,486

Less:		
Tax effect of:		
Capital raising costs	(2,643)	(2,643)
Income accruals	(295)	(295)
	(2,938)	(2,938)
Income tax attributable to entity	-	-
Unrecognised deferred tax assets		
Unrecognised deferred tax asset losses	2,237,721	2,180,460
Unrecognised deferred tax asset equity	4,328	4,328
	2,242,049	2,184,787

The benefits will only be obtained if:-

(i) The companies derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
(ii) The companies continue to comply with the conditions for deductibility imposed by the Law; and
(iii) No changes in tax legislation adversely affect the companies in realising the benefits from the deductions for the losses.

6. Auditor's Remuneration

Amounts received or due and receivable by the Company's auditors for:-

	Consolidated		Parent Entity	
	2008 $	**2007 $**	**2008 $**	**2007 $**
Auditing the Company's financial statements	22,248	18,389	17,214	18,389
Other services to the Company by the previous auditors Stanton International	2,910	2,732	2,910	2,732
	25,158	21,121	20,124	21,121

7. Key Management Personnel

(a) **Details of Key Management Personnel are:**

Key Management Person	**Position**
A Clemen	Non executive Director
J Downes	Non executive Director (Appointed 13 December 2007)
M Scivolo	Non executive Director
D Zukerman	Executive Director

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report

(b) **Options and Rights Holdings**

Number of Options Held by Key Management Personnel

	Balance 1 July 2007	Granted as Compensation	Options Exercised	Net Change Other
A Clemen	-	300,000	-	-
J Downes	-	-	-	-
M Scivolo	-	300,000	-	-
D Zukerman	-	300,000	-	-
Total	-	900,000	-	-

Number of Options Held by Key Management Personnel

	Balance 30 June 2008	Total Vested 30 June 2008	Total Exer-cisable 30 June 2008	Total Unexer-cisable 30 June 2008
A Clemen	300,000	300,000	300,000	-
J Downes	-	-	-	-
M Scivolo	300,000	300,000	300,000	-
D Zukerman	300,000	300,000	300,000	-
Total	900,000	900,000	900,000	-

During the year, the Company granted a total of 900,000 unlisted options to Directors at an exercise price of 15 cents each and an expiry date of 30 November 2008. The options were fair-valued at 10.5 cents per option, and vested immediately at date of grant. No options had been exercised up to 30 June 2008.

The fair value of the options granted has been calculated using the Black Scholes option pricing model as follows:

Weighted average exercise price	15 cents
Weighted average life of option	1.12 years
Underlying share price	25 cents
Expected share volatility	120%
Risk free interest rate	6.75%

Historical volatility has been the basis of determining expected share price volatility and it is assumed that this is indicative of future trends, which may not eventuate.

The life of option is based on the historical exercise patterns, which may not eventuate in the future.

Directors receive a fixed fee (plus statutory superannuation), with executive directors being remunerated for any professional services conducted for the Company. Directors received benefits in the form of share-based payments. On 14 September 2007, shareholders approved the grant of 300,000 options to each of the Directors. The options are exercisable at 15 cents per option at any time up to their expiry date of 30 November 2008. The fair value of the options was determined using the Black Scholes formula. No options lapsed or were exercised during the period under review.

There are no retirement schemes for any Directors or any loans or any other type of compensation.

Directors' fees are paid on a quarterly basis. Consulting fees for professional services are paid as events occur.

8. Cash and Cash Equivalents

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Represented by				
Cash at bank	328,213	60,488	269,631	60,488
Bank deposits	1,600,000	-	1,600,000	-
	1,928,213	60,488	1,869,631	60,488

9. Trade and Other Receivables

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Current				
Other debtors	28,298	7,723	27,970	7,723

10. Plant and Equipment

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Plant and Equipment, at cost	36,248	2,313	7,713	2,313
Less: accumulated depreciation	(4,268)	(257)	(1,477)	(257)
	31,980	2,056	6,236	2,056
Opening written down value	2,056	-	2,056	-
Additions	34,192	2,313	5,400	2,313
Depreciation	(4,268)	(257)	(1,220)	(257)
Closing written down value	31,980	2,056	6,236	2,056

11. Exploration Expenditure

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Opening balance	-	-	-	-
Exploration expenditure	810,437	40,330	385,921	40,330
Exploration expenditure written off	(21,367)	(40,330)	-	(40,330)
Acquisition of Namibian tenement	8,000,000	-	-	-
	8,789,070	-	385,921	-

12. Other Financial Assets

Non-Current

	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Investment in subsidiary, at cost (Refer to Note 22)	-	-	8,000,000	-
Investment in subsidiary, at cost	-	-	194,000	194,000
Less: provision for diminution	-	-	(194,000)	(194,000)
Loan to subsidiary	-	-	190,870	190,870
Less: provision for non-recovery	-	-	(190,870)	(190,870)
Investment in subsidiary at cost	-	-	879,965	879,965
Less: provision for diminution	-	-	(879,965)	(879,965)
Loan to subsidiary	-	-	364,554	-
Loan to subsidiary	-	-	3,246	-
Less: provision for non-recovery	-	-	(3,246)	-
Loan to subsidiary	-	-	603,375	-
Less: provision for non-recovery	-	-	(603,375)	-
Investment in subsidiary at cost	-	-	143	-
Less: provision for diminution	-	-	(143)	-
	-	-	8,364,544	-

13. Trade and other Payables
Current

	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Payables	81,989	62,843	77,677	62,843

14. Issued Capital

Movement in ordinary share capital of the Company during the last two years.

Date	Details	Number of Shares	Issue Price (cents)	Amount $
1 July 2006	**Balance**	**28,434,851**		**16,203,957**
30 June 2007	**Balance**	**28,434,851**		**16,203,957**
15 October 2007	Issue of shares	32,000,000	25	8,000,000
15 October 2007	Issue of shares	14,000,000	25	3,500,000
30 June 2008	**Balance**	**74,434,851**		**27,703,957**

Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

15. Share Option Reserve

Date	Details	Number of Options	Issue Price (cents)	Amount $
1 July 2006	**Balance**	**3,000,000**		**288,600**
3 November 2006	Exercisable at 10 cents expiring 31 December 2012	20,000,000	0.5	100,000
31 December 2006	Option placement fee	-	-	(5,000)
27 November 2006	Exercisable at 15 cents expiring 30 November 2008) (non cash)	600,000	-	23,116
30 June 2007	**Balance**	**23,600,000**		**406,716**
1 November 2007	Exercisable at 35 cents expiring 27 January 2010) (non cash)	900,000	-	94,500
1 November 2007	Exercisable at 15 cents expiring 30 November 2008) (non cash)	14,000,000	-	-
1 November 2007	Exercisable at 30 cents expiring 1 November 2010) (non cash)	250,000	-	81,500
1 November 2007	Exercisable at 40 cents expiring 1 November 2010) (non cash)	250,000	-	61,250
30 June 2008	**Balance**	**39,000,000**		**643,966**

Should the options not be exercised, capital gains tax may be assessed against the funds contributed.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

16. Accumulated Losses

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Accumulated losses at the beginning of the year	(16,603,249)	(16,331,139)	(16,603,249)	(16,331,139)
Loss for year	(988,501)	(272,110)	(1,553,960)	(272,110)
Accumulated losses at the end of the financial year	(17,591,750)	(16,603,249)	(18,157,209)	(16,603,249)

17(a). Cashflow Information

	Note	Consolidated		Parent Entity	
		2008 $	2007 $	2008 $	2007 $
Operating loss after income tax		(988,501)	(272,110)	(1,553,960)	(272,110)
Gain on disposal of fixed asset		-	(1,527)	-	(1,527)
Advances to subsidiaries		-	-	606,621	-
Depreciation of plant and equipment	10	4,268	257	1,220	257
Exploration expenditure written off	11	21,367	40,330	21,367	40,330
Non-cash share based payments	15	237,250	23,116	237,250	23,116
Decrease/(Increase) in receivables		(20,575)	(449)	(20,247)	(449)
(Decrease)/Increase in trade and other payables		19,146	52,663	14,834	52,663
Foreign currency translations		(60,601)	-	-	-
Net cash used by operating activities		(787,646)	(157,720)	(692,915)	(157,720)

17 (b). Non-cash share based payments

During the year, the Company granted 1,400,000 unlisted options to Directors and the General Manager - Exploration. The fair value of the options granted has been calculated using the Black Scholes option pricing model, refer to Notes 7 and 25.

During the year, the Company issued 32,000,000 shares in relation to the acquisition of tenements in Namibia, referred to in Note 22.

18. Earnings per share

	2008 Number	2007 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	61,112,447	28,434,85 1

Options to purchase ordinary shares not exercised at 30 June 2008 have not been included in the determination of basic earnings per share. Diluted loss per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share.

	2008	2007
Loss per share – cents	(1.7)	(1.0)

19. Financial Instruments

(a) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate		**Non-Interest Bearing**		**TOTAL**	
	2008 0.00% - 7.63%	**2007** 1.95 - 4.10%	**2008**	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**	**$**	**$**
Financial Assets						
Cash and cash equivalents	1,928,214	60,488	-	-	1,928,214	60,488
Receivables	-	-	33,783	7,723	33,783	7,723
Total Financial Assets	1,928,214	60,488	33,783	7,723	1,961,997	68,211
Financial Liabilities						
Trade and other payables	-	-	(81,989)	(62,843)	(81,989)	(62,843)
Net Financial Assets	1,928,214	60,488	(48,206)	(55,120)	1,880,008	5,368

Reconciliation of Financial Assets to Net Assets

	Consolidated	
	2008	**2007**
	$	**$**
Net financial assets	1,880,007	5,368
Exploration expenditure	8,789,070	-
Fixed assets	31,980	2,056
	10,701,057	7,424

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the balance sheet and notes to the financial report.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

(d) Financial Risk Management

The Group's financial instruments consist mainly of deposits with recognised banks, investments in bank bills up to 90 days, accounts receivable and accounts payable, and loans to subsidiaries. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The Directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to, through its financial instruments, are the depository banking institution itself, holding the funds, and interest rates. The Group's active exposure to foreign currency is confined to services procured through the Namibian and Tanzanian subsidiaries. The Group's credit risk is minimal as being an exploration company, no goods are sold, or services provided, for which consideration is claimed.

(e) Sensitivity Analysis

Interest Rate Risk, Foreign Currency Risk and Price Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group		**Parent Entity**	
	2008 $000	**2007 $000**	**2008 $000**	**2007 $000**
Change in profit				
- Increase in interest rate by 2%	32	1	32	1
- Decrease in interest rate by 2%	(32)	(1)	(32)	(1)
Change in Equity				
- Increase in interest rate by 2%	32	1	32	1
- Decrease in interest rate by 2%	(32)	(1)	(32)	(1)

20. Investment in controlled entities

Name of Entity	**Country of Incorporation**	**Class of Shares**	**Equity Holding %**		**Book Value of Investment**		**Contribution to Consolidated Result**	
			2008 %	**2007 %**	**2008 $**	**2007 $**	**2008 $**	**2007 $**
Raslot Pty Ltd	Australia	Ordinary	100	100	-	-	-	-
Mining Ventures Ltd	Tanzania	Ordinary	100	100	-	-	-	-
Link National Pty Ltd	Australia	Ordinary	70	-	8,000,000	-	(144)	-
Sabre Resources Namibia (Pty) Ltd	Namibia	Ordinary	70	-	-	-	(41,162)	-

21. Related Parties

The Company's wholly owned subsidiaries, Raslot Pty Ltd, Mining Ventures Ltd and Sabre Resources Namibia (Pty) Ltd, have respectively been loaned $190,871, $3,246 and $603,375 to date, to conduct exploration. The loans are interest free with no fixed terms of repayment.

All transactions with Directors are disclosed in Note 7.

22. Acquisition of Entity

Acquisition of Link National Pty Ltd

On 14 September 2007 shareholders approved the acquisition of 100% of the voting shares of Link National Pty Ltd, a private company incorporated in Australia, which held an interest in a prospective mining tenement in Namibia through a partially (70%) owned subsidiary, Gazania Investments Three (Pty) Ltd, a company incorporated in Namibia.

The cost of the acquisition was a cash payment of A$240,000, together with the issue of 32,000,000 shares in Sabre Resources Ltd. Full particulars of the transaction were disclosed in a Prospectus dated 10 September 2007, copies being lodged with both ASX and ASIC.

The fair value of the identifiable assets and liabilities of Link National Pty Ltd as at the date of acquisition were:

	Consolidated	
	Recognised on acquisition	Carrying value
	$	$
Cash and cash equivalents	57	57
Exploration expenditure	240,000	240,000
Interest in Namibian tenement	8,000,000	-
	8,240,057	240,057
Fair value of identifiable net assets	8,240,057	
Cost of the combination:		
Cash payment	240,000	
32,000,000 shares valued at 25 cents	8,000,000	
Total cost of the combination	8,240,000	
The cash outflow on acquisition to date is as follows:		
Net cash acquired with the subsidiary	57	
Cash paid	(240,000)	
Net cash outflow	(239,943)	

From the date of acquisition, Link National Pty Ltd, through its subsidiary Gazania Investments Three (Pty) Ltd, (now known as Sabre Resources Namibia (Pty) Ltd) has contributed a loss of $41,162 to the net loss of the Group.

23. Segment Reporting

The company operates primarily in Western Australia in the resources industry, and has also invested in the resources industry in Tanzania and Namibia.

	Australia		Namibia		Tanzania		Consolidated	
	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $
Revenue	124,861	5,152	8	-	-	-	124,869	5,152
Share of net loss	(1,018,539)	(272,110)	(41,162)	-	-	-	(1,059,701)	(272,110)
Income Tax Expense	-	-	-	-	-	-	-	-
Net loss after tax	(1,018,539)	(272,110)	(41,162)	-	-	-	(1,059,701)	(272,110)
Segment assets	10,268,447	70,267	509,114	-	-	-	10,777,561	70,267
Segment liabilities	(77,677)	(62,843)	(4,312)	-	-	-	(81,989)	(62,843)
Net assets	10,190,770	7,424	504,802	-	-	-	10,695,572	7,424

24. Commitments

(i) Mining Tenements

The Company's main focus is now the highly prospective Ongava Project in Namibia. While there is no formal exploration commitment specified by the Namibian Ministry of Mining and Energy, the Company expects to spend the Namibian equivalent of approximately A$200,000 during the forthcoming year

(ii) Management Agreement

The Company has an agreement with a management service company for the provision of services at $220,000 per annum plus CPI. Charges are at commercial terms in accordance with the agreement entered into on 20 November 2007 for a five year term.

25. Share Based Payment Plan

During the year, the Company granted the following options to Directors and the General Manager, Exploration:

(1) 900,000 unlisted options to Directors, having an exercise price of 15 cents each, and expiring on 30 November 2008. The options were fair-valued at 10.5 cents per option, and vested immediately at date of grant.

The fair value of the options granted has been calculated using the Black Scholes option pricing model as follows:

Weighted average exercise price	15 cents
Weighted average life of options	1.12 years
Underlying share price	25.0 cents
Expected volatility 120%	
Risk free interest rate	6.75%

(2) 500,000 unlisted options to the Company's General Manager, Exploration, having an exercise price of 30 cents each in respect of 250,000 options and 40 cents each in respect of the remaining 250,000 options. Both tranches of options expire on 1 November 2010. The options were fair-valued at an average of 28.6 cents per option, and vested immediately at date of grant.

The fair value of the options granted has been calculated using the Black Scholes option pricing model as follows:

Weighted average exercise price	35 cents
Weighted average life of options	3.0 years
Underlying share price	51.0 cents
Expected volatility 120%	
Risk free interest rate	6.75%

None of the above options had been exercised up to 30 June 2008. The fair value of the options granted has been calculated using the Black Scholes option pricing model. Historical volatility has been the basis of determining expected share price volatility and it is assumed that this is indicative of future trends, which may not eventuate. The life of option is based on the historical exercise patterns, which may not eventuate in the future.

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Expense arising from equity-settled share- based payment transactions for:				
(a) Directors	94,500	-	94,500	-
(b) Consultants	142,750	23,116	142,750	23,116
	237,250	23,116	237,250	23,116

Summary of Options Granted

The following table sets out the number (No.) and weighted average exercise price (WAEP) of, and movements in, share options granted during the year:

	2008 No.	2008 WAEP (cents)	2007 No.	2007 WAEP (cents)
Outstanding at beginning of year	23,600,000	10.00	3,000,000	10.00
Granted during the year	15,400,000	33.83	20,600,000	10.15
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	39,000,000	18.72	23,600,000	10.13

The outstanding balance as at 30 June 2008 was comprised of:

(i) 23,000,000 options over ordinary shares exercisable at 10 cents each, at any time up to 31 December 2012;

(ii) 1,500,000 options over ordinary shares exercisable at 15 cents each, at any time up to 30 November 2008.

(iii) 14,000,000 options over ordinary shares exercisable at 35 cents each, at any time up to 27 January 2010.

(iv) 250,000 options over ordinary shares exercisable at 30 cents each, at any time up to 1 November 2010.

(v) 250,000 options over ordinary shares exercisable at 40 cents each, at any time up to 1 November 2010.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2008 was 3.27 years (2007: 5.40 years).

The range of exercise prices for options outstanding at the end of the year was 10 to 40 cents (2007: 10 to 15 cents).

The weighted average fair value of options granted during the year was 1.54 cents (2007: 3.85 cents).

26. Contingent Liabilities

No contingent liability exists for termination benefits under service agreements with directors or persons who take part in the management of the company. There are no contingent liabilities as at 30 June 2008.

27. Events Subsequent to Balance Sheet Date

The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent years.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 25 to 48 are in accordance with the *Corporations Act 2001*:

   (a) comply with Accounting Standards, the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Company and economic entity.

2. The Chief Executive Officer and Chief Financial Officer have each declared that:

   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

   (b) the financial statements and notes for the financial year comply with Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

D N Zukerman
DIRECTOR

Dated this thirtieth day of September 2008
Perth, Western Australia

Grant Thornton

INDEPENDENT AUDITOR'S REPORT
To the members of Sabre Resources Limited

Grant Thornton (WA) Partnership
ABN: 17 735 344 518
Level 1
10 Kings Park Road
West Perth WA 6005
PO BOX 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E admin@gtwa.com.au
W www.grantthornton.com.au

Report on the Financial Report

We have audited the accompanying financial report of Sabre Resources Limited (the company) which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Electronic Presentation of Audited Financial Report

This auditor's report relates to the financial report of Sabre Resources Limited for the year ended 30 June 2008 included on the company's web site. The company's directors are responsible for the integrity of the company's web site. We have not been engaged to report on the integrity of the company's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site

Independence

In conducting our audit, we complied with applicable independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Sabre Resources Limited is in accordance with the *Corporations Act 2001*, including:

  i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

  ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report on pages 4 to 5 for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Sabre Resources Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

P. Warr.

P W WARR
Partner
Perth, 30 September 2008

Grant Thornton (WA) Partnership
ABN: 17 735 344 518
Level 1
10 Kings Park Road
West Perth WA 6005
PO BOX 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E admin@gtwa.com.au
W www.grantthornton.com.au

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SABRE RESOURCES LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Sabre Resources Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b. No contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

P. Warr.

P W WARR
Partner

Perth, 30 September 2008

CORPORATE GOVERNANCE

Sabre Resources Ltd has adopted the Ten Essential Corporate Governance Principles and the Best Practice Recommendations as published by the Australian Securities Exchange Corporate Governance Council. These are set out in the company's website under the following headings:

Lay solid foundations for management and oversight by the Board

Structure the Board to add value and discharge responsibilities

Promotion of ethical and responsible decision making

Safeguard integrity in financial reporting

Make timely and balanced disclosure

Respect the rights of shareholders

Risk management

Enhance performance of the Company

Remunerate fairly and responsibly

Recognise the interests of stakeholders

Explanations for departures from best practice recommendations

Principle 1: Lay solid foundations for management and oversight by Board.

Functions of management and Board were formalised on June 28 2004. Prior to formal adoption, separate procedures existed and were practiced, by both Board and management.

Principle 2: Structure the Board to add value and discharge responsibilities.

The Company does not have a Chief Executive Officer having delegated the management of the company to a management services company. Director David Zukerman is a member of the executive and a consultant to the management services company. The Company considers that for the purposes of best practice recommendations, David Zukerman's position is the equivalent of Chief Executive Officer. The Board has a majority of independent Directors. It is comprised of three independent Directors and one non-independent Director. The Board has appointed Mr Clemen as the lead independent Director to facilitate any areas where it is inappropriate for Mr Zukerman to act. Mr Scivolo and Mr Downes are the other independent Directors.

The Company recognises that ASX recommends that one individual should not hold the combination of positions described above, the existing arrangement is considered appropriate due to the small size of the Company and its economic practicalities.

A separate nomination committee has not been formed as the Board comprises just four members and it was considered that no efficiencies would be achieved. The whole Board carries out the duties, but with each member excluding himself from matters in which he has a material personal interest.

Principle 3: Promotion of ethical and responsible decision making.

A code of conduct was adopted by the Company on June 28 2004. Prior to that time the Board considers its practices were the equivalent of a code of conduct. These practices are now outlined in the written code. A written securities trading policy was adopted on June 28 2004. Prior to that time the Directors had an understanding of the appropriate time to trade in the Company's securities.

Principle 4: Safeguard integrity in financial reporting.

A formal audit committee charter was adopted on June 28 2004 although a separate audit committee has not been formed, as due to the small size and structure of the Board, it was considered that no efficiencies would be achieved. Hence the full Board carries out the function, of an audit committee. Mr Scivolo and Mr Zukerman meet the requirements of financial literacy and experience.

Principle 5: Make timely and balanced disclosure.

Informal procedures were in place prior to June 28 2004 when written policies and procedures were implemented to ensure compliance with the ASX Listing Rules.

Principle 6: Respect the rights of shareholders.

The Company adopted a formal information strategy on June 28 2004 to communicate to shareholders through the website.

Principle 7: Risk Management.

The Company adopted a formal policy on risk management on June 28 2004 to identify financial and operating risks, and to effectively manage and communicate to the Board. Prior to that time the Board had informal policies and procedures in place to identify and manage operational and financial risks. The integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that these systems are operating efficiently and effectively in all material aspects.

Principle 8: Enhance performance of the Company.

The Company has a process for performance evaluation of the individual Directors by way of an informal review by the Chairman.

Principle 9: Remunerate fairly and responsibly.

The Company adopted a remuneration committee charter on June 28 2004 but has not established a separate remuneration committee, as due to its small size (four Directors), all members are involved in assessing remuneration.

Principle 10: Recognise the interests of stakeholders.

The Company adopted a formal code of conduct to guide compliance with legal and other obligations in June 2004. Prior to that time the Board considered that its business practices were the equivalent of a code of conduct.

Summary

A profile of each Director is shown in the Directors' Report. The independent Directors of the four person Board of the Company are Alexander Clemen, Jonathan Downes and Michael Scivolo. Each Director may, with approval of the Chairman, seek independent professional advice to assist the Director in the exercise and discharge of his duties as a Director, and be reimbursed for reasonable expenses in obtaining that advice. The full Board carries out the functions of a nomination committee in accordance with the Charter. Relevant issues are considered at Board meetings on an as required basis.

The full four-man Board carries out the functions of the audit committee with Mr Zukerman and Mr Scivolo meeting the requirements of financial literacy, expertise and industry experience. During the Reporting Period the full board conducted informal reviews of the Company accounts on a six monthly basis.

A formal evaluation of the Board was not carried out. With a Board of four members, informal evaluation is conducted on an ongoing basis.

The full Board carries out the functions of a remuneration committee. The level of fees paid to Directors is influenced by comparing fees paid within the exploration industry and then set to attract qualified people to accept the responsibilities of Directorship. Directors receive a fixed fee (plus statutory superannuation), with Executive Directors being remunerated for any professional services conducted for the Company. Directors also receive performance or equity based remuneration. There are no retirement schemes for any Directors.

Board Structure

Name of Director	Year Appointed	Executive	Non-Executive	Independent	Seeking re-election at 2008 AGM
A Clemen - Director	1999	NO	YES	YES	NO
J Downes - Director	2007	NO	YES	YES	YES
M Scivolo - Director	2006	NO	YES	YES	YES
D Zukerman - Director	2003	YES	NO	NO	NO

1. Distribution of Shareholders

(a) As at 25 September 2008 the distribution of members and their shareholdings were:-

Range of Holding			Holders	Shares Held	Percent
1	-	1,000	241	95,759	0.13
1,001	-	5,000	248	679,352	0.91
5,001	-	10,000	76	640,737	0.86
10,001	-	100,000	136	5,714,758	7.68
100,001	and over		58	67,304,245	90.42
			759	**74,434,851**	**100.00**

(b) There exist 407 shareholders with unmarketable parcels of shares.

2. Substantial Shareholders

The names of the substantial shareholders who have notified the Company in accordance with Section 671B of the *Corporation Act 2001* are:

Name	Number of Ordinary Shares	Percentage of Issued Capital
Coniston Pty Ltd, Kalgoorlie Mine Management Pty Ltd together with group member James John del Piano	27,036,020	36.32%

The twenty largest shareholders as at 25 September 2008, representing 79.55% of the paid up capital were:

Name of Holder	Number	%
Coniston Pty Ltd (Coniston A/c)	23,200,000	31.17
Bow Lane Nominees Pty Ltd	6,513,800	8.75
Merrill Lynch (Australia) Nominees Pty Ltd (Berndale A/c)	4,714,189	6.33
Ironbark Gold Ltd	4,000,000	5.37
Langoni Investments Pty Ltd	3,520,000	4.73
Comprehensive Investments Pty Ltd	3,360,000	4.51
Cangu Pty Ltd	1,920,000	2.58
Kalgoorlie Mine Management Pty Ltd	1,880,000	2.53
UBS Wealth Management Australia Nominees Pty Ltd	1,605,000	2.16
Coniston Pty Ltd	1,500,000	2.02
ANZ Nominees Ltd (Cash Income A/c)	936,428	1.26
James John del Piano	906,020	1.22
Queensway Investments Pty Ltd	800,000	1.07
Pio Services Ltd	740,000	0.99
Cangu Pty Ltd (Cangu Family A/c)	600,000	0.81
Heaver Group Ltd	600,000	0.81
Herlequin Investments Ltd	600,000	0.81
L C Asia Ltd	600,000	0.81
Nelbert Finance Ltd	600,000	0.81
Tripura Ltd	600,000	0.81
	59,195,437	**79.55**

(e) As at 25 September 2008 the distribution of optionholders for options with an exercise price of 35 cents, and which expire on 27 October 2010 were:-

Range of Holding			Holders	Options Held	Percent
1	-	1,000	0	0	0.00
1,001	-	5,000	1	4,000	0.03
5,001	-	10,000	24	236,000	1.70
10,001	-	100,000	33	1,603,000	11.56
100,001		and over	19	12,027,000	86.71
			77	**13,870,000**	**100.00**

(f) There exists 1 optionholder with an unmarketable parcel of options.

(g) The twenty largest optionholders in this class, as at 25 September 2008, which represents 86.63% of this class of options, were as follows:

Name of Holder	Number	%
Ironbark Gold Ltd	4,000,000	28.57
Merrill Lynch (Australia) Nominees Pty Ltd (Berndale A/c)	2,875,000	20.54
Cangu Pty Ltd	800,000	5.71
Queensway Investments Pty Ltd	800,000	5.71
Icerig Nominees Pty Ltd	546,000	3.90
Serec Pty Ltd	500,000	3.57
Mandevilla Pty Ltd	360,000	2.57
Equitas Nominees Pty Ltd (Group A A/c)	320,000	2.29
Bluebase Pty Ltd	222,000	1.59
Mandevilla Pty Ltd (Superannuation Fund A/c)	200,000	1.43
Seaward Holdings Pty Ltd	200,000	1.43
Tolkim Pty Ltd (Ovrania Family A/c)	200,000	1.43
Paul Gillett Investments Pty Ltd	180,000	1.29
Judith M Sullivan	146,000	1.04
BJS Robb Pty Ltd	140,000	1.00
Clear Range Pty Ltd	140,000	1.00
Zimbali Nominees Pty Ltd	140,000	1.00
Jeff Towler Building Pty Ltd	138,000	0.99
Miaglow Pty Ltd	120,000	0.86
Linda M L Carter	100,000	0.71
	12,127,000	**86.63**

(h) In addition to the above, four classes of unlisted options have been granted:

(i) 23,000,000 options exercisable at 10 cents each on or before 31 December 2012,
(ii) 1,500,000 options exercisable at 15 cents each on or before 30 November 2008,
(iii) 250,000 options exercisable at 30 cents each on or before 1 November 2010,
(iv) 250,000 options exercisable at 40 cents each on or before 1 November 2010.