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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

Contents

Review of Operations

ONGAVA POLY-METALLIC PROJECT, NAMIBIA

Sabre Resources' Ongava Poly-Metallic Project is located in the Otavi Mountain Land of northern Namibia, southern Africa (Figure 1) The Otavi Mountain Land, 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 region (Figure 2). Rail and sealed highways connect the region 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.

Figure 1 *– Location of the Ongava Project, northern Namibia. Other base-metal projects are shown.*

A. Prospective commodities

The Otavi Mountain Land has historically been a **globally important producer of copper, lead, zinc, and vanadium**. Of the numerous prospects throughout the Ongava project area, most have one of three metal associations:

- Lead-zinc-silver (e.g., Border, Irvington, Driehoek).
- Copper-lead-zinc-vanadium (e.g. Harasib Claims, Lucas Post, Uitsab, Nosib H).
- Zambian Copperbelt-style copper (e.g. Gauss).

In the Otavi Mountain Land, **copper** was 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, which also contained a series of other base and rare metals.

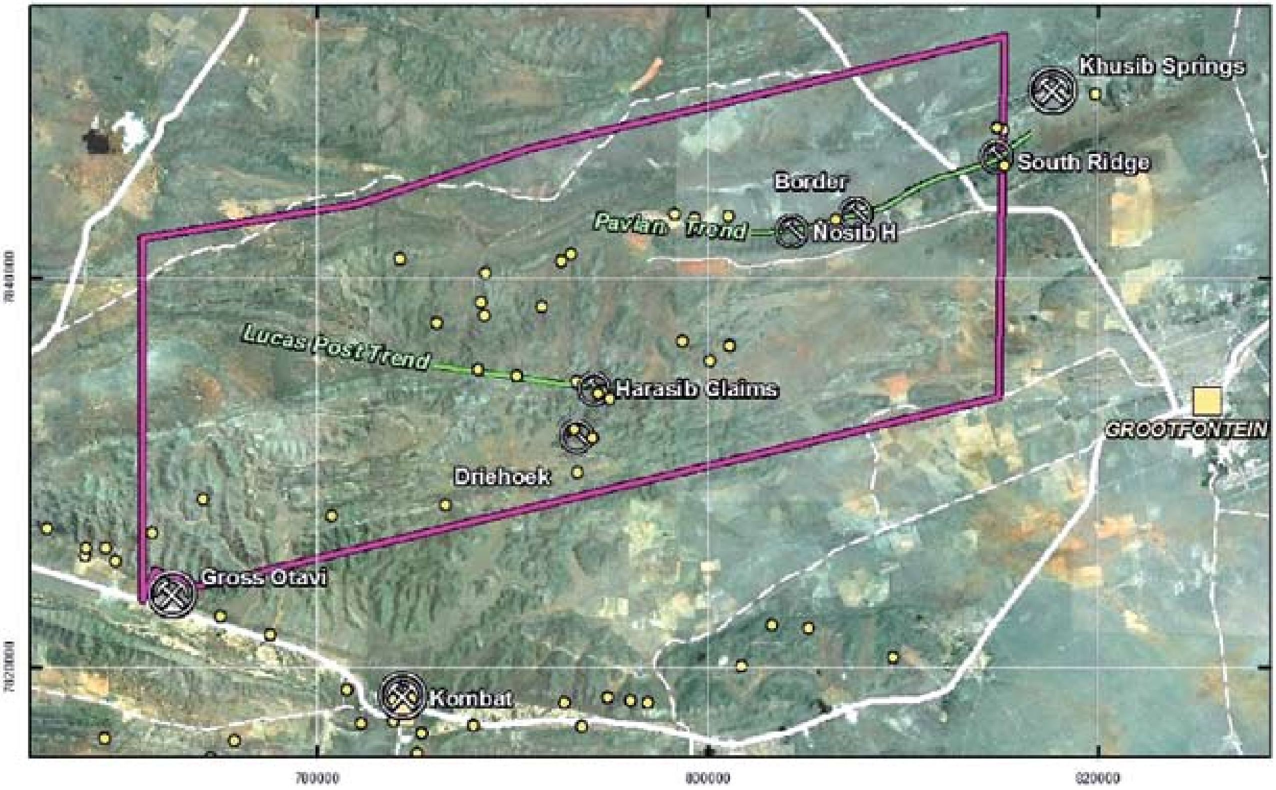

Figure 2 – *The Ongava Poly-Metallic Project area (EPL 3542). Major mines and prospects are labelled. Other prospects are represented by yellow dots (20km grid). The Pavian and Lucas Post Trends are shown in green.*

Lead, zinc and silver typically occur together throughout the Otavi Mountain Land, particularly in the Berg Aukas-type deposits and prospects. Lead and zinc were produced at Tsumeb, Berg Aukas, Khusib Springs, Abenab and a series of smaller mines throughout the region, though none is produced today.

Similarly, despite being one of the world's primary sources of **vanadium** for some time, none is produced today in the Otavi Mountain Land. Vanadium occurs in secondary copper-leadzinc vanadates at numerous deposits throughout the region, including Tsumeb, Berg Aukas, Khusib Springs and Abenab.

Other rarer metals such as **germanium** have been produced historically from the Tsumeb mine, though only small proportions were recovered. The Otavi Mountain Land is one of the world's major germanium provinces, with the metal associated with all styles of mineralisation, as is the rare metal **gallium**.

B. Border-Irvington system

The Border-Irvington lead-zinc-silver system comprises the Border deposit, the recently discovered Irvington prospect, and their strike extents. The system is at least 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.

Figure 3 *– RC drilling adjacent to Adit Hill, Border deposit.*

Historically, 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. Based on drilling of around 20 diamond drillholes and a strike length limited to 650m at Border, Goldfields Namibia defined several 'resource' calculations that do not conform to the JORC code. Sabre has adopted one of the lower calculated figures as our exploration target:

12-15 Mt @ 5-6% Lead + Zinc[1].

This represents a conservative tonnage that is substantially lower than estimates published by the Namibian Ministry of Mines and Energy. Irvington was discovered by Sabre and has not been explored previously.

Sabre's first drilling programme at Border and Irvington (Figure 3) was completed in the 2008 – 2009 year. This programme comprised 38 drill holes for a total of 4261 m of RC and diamond drilling. It targeted the shallow, weathered, upper parts of the Border deposit within 100 m of surface, with some exploratory holes into the previously untested Irvington prospect.

[1] At this stage, the potential quantity and grade of the Border zinc-lead deposit is conceptual in nature, as Sabre has determined that insufficient work 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 was based upon deposit calculations undertaken by Etosha Petroleum Ltd (Border).

The results of the drilling are highly encouraging, showing increasing grade and thickness with depth. On four of the drill section lines, the thickest and highest-grade intercepts are found in the last and deepest hole of the section. Future extension of these drill sections is expected to intercept thicker, higher-grade zones further down-dip within fresh rock.

Assay results

Mineralised zones were sampled on 2 m intervals in RC and on 1 m intervals in diamond drilled areas. Drilling has shown that mineralisation is extensive and thick.

The maximum values for individual samples for each of the metals of interest intercepted during drilling at Border are as follows:

Metal	Symbol	Grade	Interval	Hole	Downhole depth
Lead	Pb	13.44 %	2 m	BDRC0006	54 m
Zinc	Zn	12.73 %	1 m	BDDD0023	118 m
Lead + Zinc	Pb+Zn	14.01 %	1 m	BDDD0023	118 m
Copper	Cu	0.282 %	1 m	BDDD0011	31 m
Silver	Ag	86 g/t	2 m	BDDD0021	82 m

Numerous strong intercepts were recorded at Border and Irvington. All calculated intercepts are listed for the entire drill programme in Appendix 1.

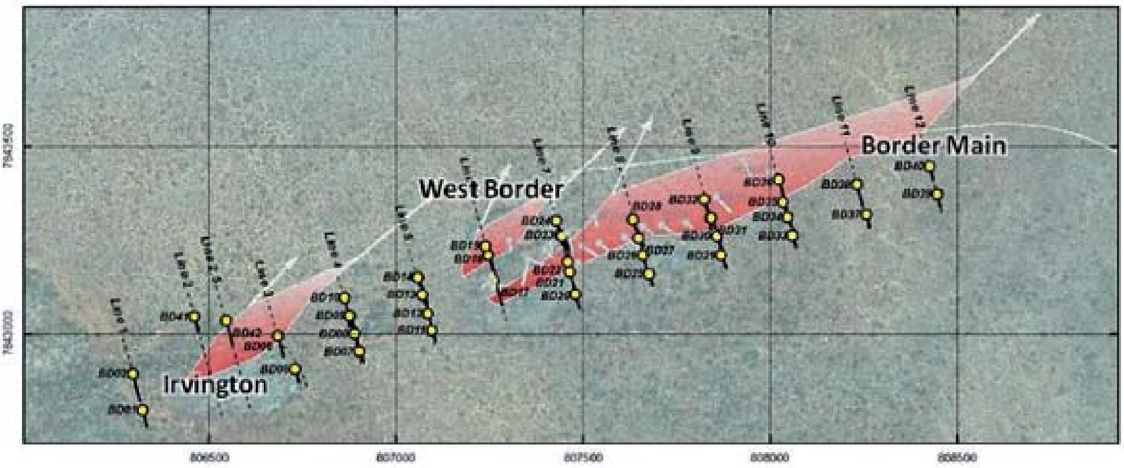

Figure 4 *– Mineralised zones at Border and Irvington as defined by drilling. Red stippled areas represent approximate distribution of mineralisation as projected to surface. Red and white arrows represent the direction in which the mineralisation is open.*

Definition of mineralised pods

Mineralisation occurs in three distinct extended pods: **Border Main, West Border**, and **Irvington** (Figure 4). Border Main is the largest at over 800 m long, extending from Adit Hill in the west to hole 36 in the east (Figure 4). Border Main thickens significantly in holes 28, 31, 32 (Figure 5), and 36, where higher grades of lead and zinc are also more common.

Importantly, these mineralised pods are defined where **concentrations of higher-grade zones are contained by thick, coherent, low-grade shells of mineralisation that can be followed and correlated between drill holes** (Figure 5). Whilst the grades for these enveloping shells are low (and are therefore not listed in the intercept appendix), they illustrate that Border is part of a large coherent system.

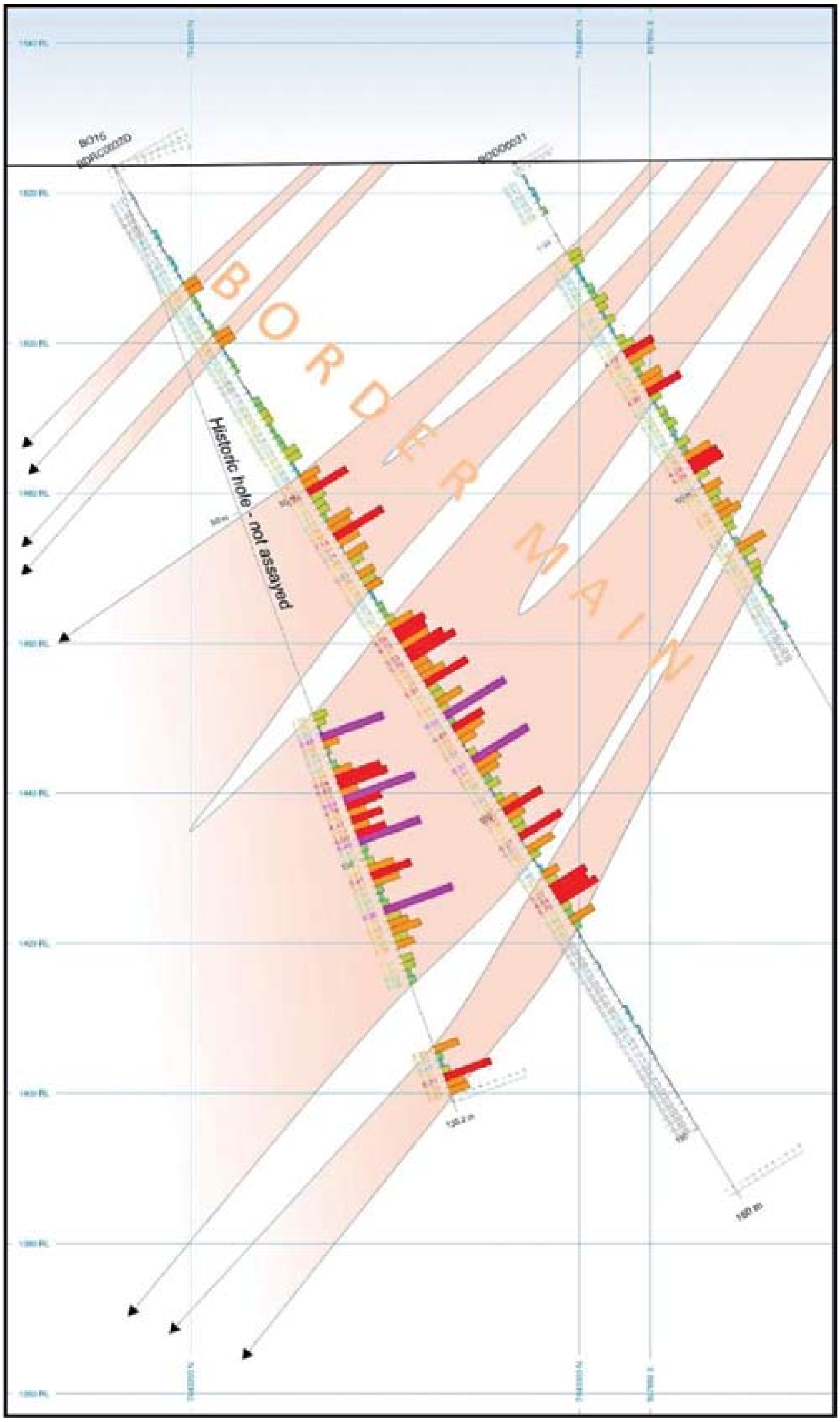

Figure 5 – *Cross section looking east of combined lead and zinc grades for Line 9 at Border Main, showing holes 31 and 32 from Sabre's drill programme. Hole BO16, which is off section ~50 m eastward was drilled during previous exploration in the 1970s but accurately reflects the distribution of mineralisation at Border (where it is sampled), showing increasing grade down-dip.*

The fact that some of the highest-grade and thickest intercepts within the Border Main shell are located in the last drill hole of several lines indicates that further mineralisation will be intercepted with subsequent drilling. For each section, **the increase in grades and thicknesses with depth means that higher grades and possibly thicker intercepts are expected to the north and east-northeast.**

Modelling and Targeting

Drilling at Border has intersected only part of **a large, moderate-grade lead, zinc, and silver system. Three distinct pods of mineralisation** have been intercepted (Border Main, West Border, and Irvington) and all **appear to be plunging gently to the east-northeast.**

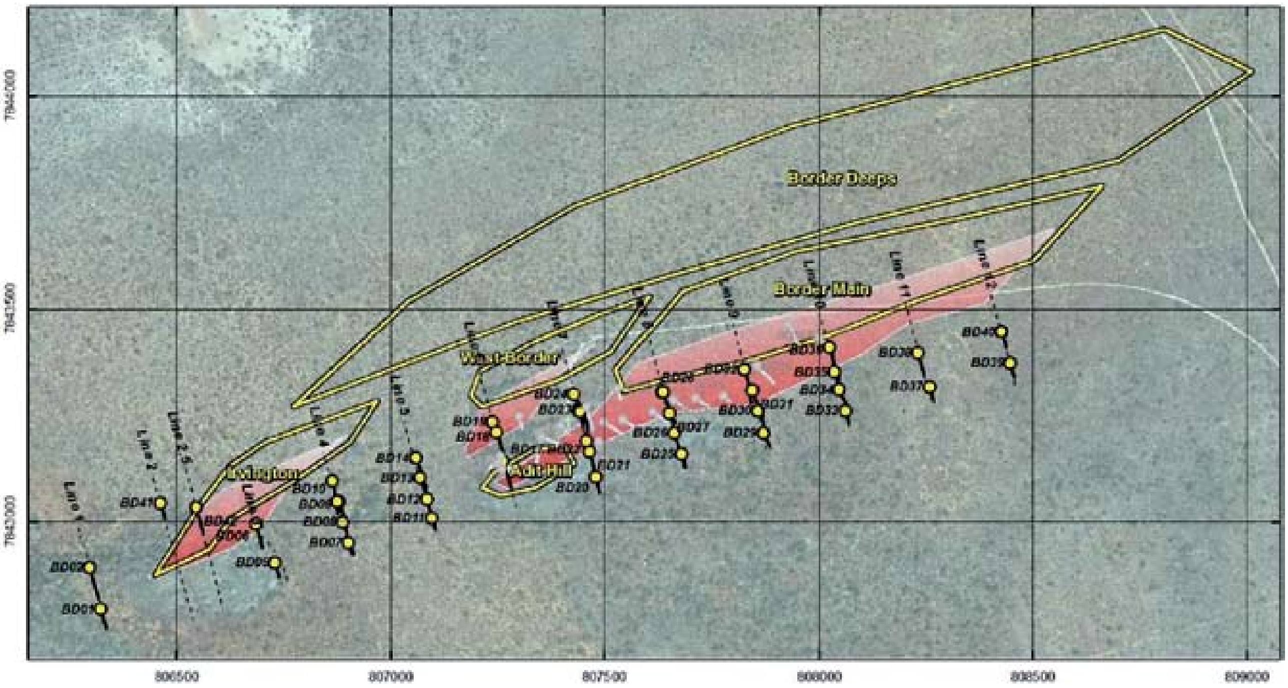

Figure 6 – *Targets generated at Border from data gathered for the first phase of drilling (yellow outlines). Red stippled areas represent approximate distribution of mineralisation as projected to surface.*

Targets for further exploration have been identified and ranked (Figure 6). These targets are, in order of priority:

1. **Border Main extension** – represents the continuation of the thick zones of mineralisation intersected in holes 28, 31, 32, and 36. Observed trends indicate that the thickest zone of mineralisation is north of holes 32 and 36, with grades increasing with depth.
2. **Adit Hill** – shallow drilling is required to define the extent and grade of the exposed mineralisation on the northern and eastern flanks of Adit Hill.
3. **Irvington extension** – represents shallow surface drilling of the top of Irvington Hill and the down-dip extensions from hole 6.
4. **West Border extension** – irregular intercepts in hole 18 and historical holes require follow-up at depth. Hole 19 was inaccessible to the diamond rig, so the down-dip extensions are untested.
5. **Border Deeps** – with the success of Border Main, Border West or Irvington, testing of their down-dip extent is required.

Three-dimensional modelling of the Border-Irvington system has **confirmed continuity of mineralisation** (Figure 7). However, taking a conservative approach, Sabre has deemed that insufficient drilling may have been performed along the short section lines to fully meet the JORC criteria. A second phase of drilling to extend and infill the section lines will provide the necessary density of data to satisfy Sabre's conservatism. Sabre's analysis of the drill core also shows that by following the recognised dip and plunge of mineralisation, further drilling is likely to intercept thicker and higher-grade intercepts.

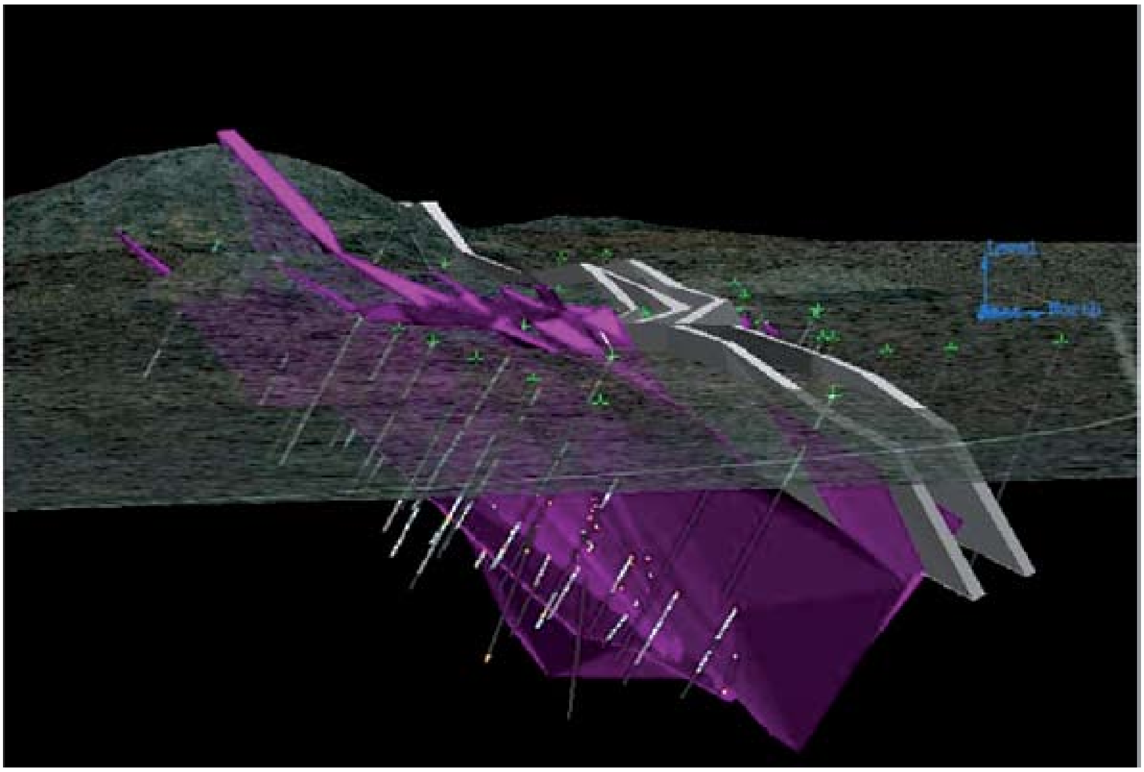

Figure 7 *– Oblique view of the 3-dimensional model for the Border deposit, looking west, showing mineralisation (pink) dipping steeply northward. Mineralisation throughout the Border-Irvington system is parallel to and near to the siliceous fault zones (white).*

A comprehensive new geological and mineralisation model for Border, developed entirely from data acquired during the logging of drill core, is applicable to other deposits regionally. It indicates that drilling to date has intercepted only later-stage lead, zinc and silver mineralisation. This implies that **the primary deposit from which these metals were derived has not yet been intercepted.** According to this new model, **Border and Irvington represent the fringes of a significantly larger lead, zinc and silver system,** so drilling at depth and further along strike will be required to intersect the heart of the system.

C. Exploration of the Pavian Trend

Exploration at and around the Border deposit and Irvington prospect has allowed discovery and delineation of the **Pavian Trend,** a **15 kilometre long zinc, lead and copper lineament with world-class potential.** The Pavian Trend (Figure 8) incorporates the Border deposit, the Irvington, Nosib H and South Ridge prospects, and the recently discovered 'Pavian' prospect.

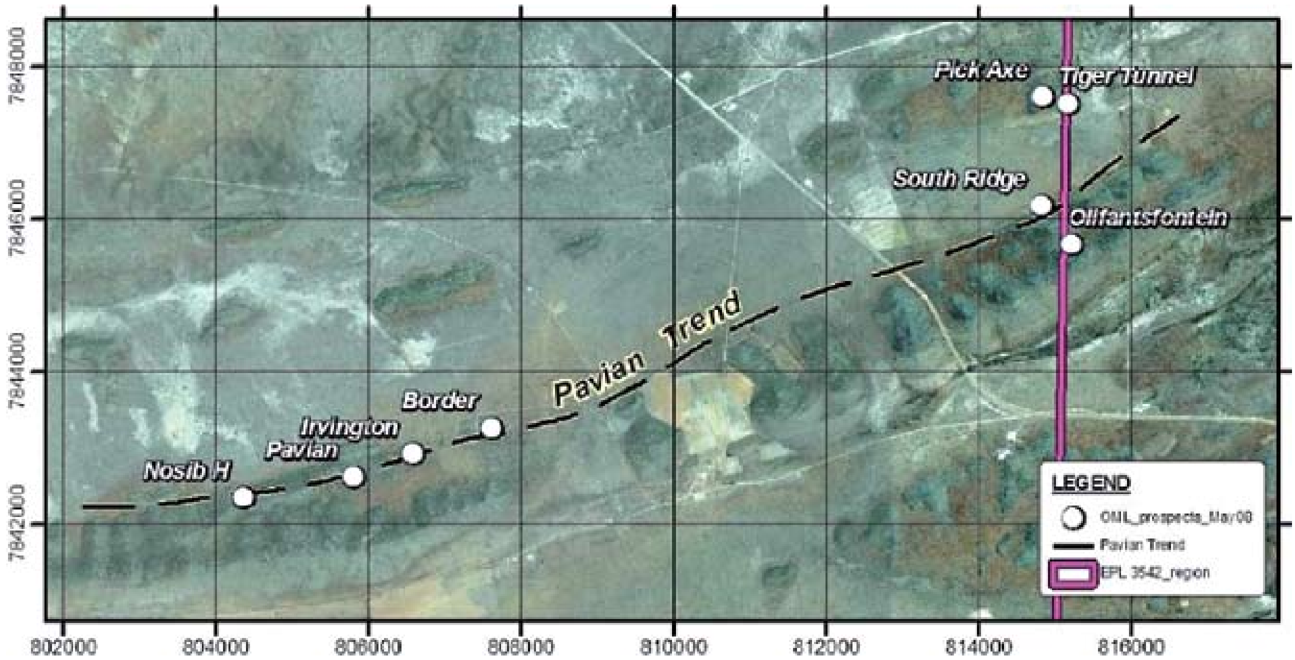

***Figure 8** – The Pavian Trend*

The Pavian Trend was discovered through implementation of a soil sampling programme around and to the west of the Border deposit earlier this year. The sampling was designed to infill gaps in Sabre's extensive regional geochemical database. Intense copper, zinc and lead values were recorded in soils, and these correspond to extensive outcropping lead sulphides and zinc and copper carbonates.

Of the total 15 kilometre length of the Pavian Trend, more than 13 kilometres of it lies within Sabre's EPL3542 exploration licence (Figure 8). With more soil sampling, there is potential to extend the length of the trend further westward within Sabre's licence area. The Pavian Trend comprises, from west to east:

- Over 5,300 metres from west of Nosib H to Border, comprising strong Zn+Pb anomalism on hills and intervening flats.
- Around 6,000 metres from Border to west of South Ridge, comprising subdued Zn+Pb anomalism on the Toggenburg Plains.
- Over 3,200 metres from west of South Ridge eastward, comprising strong Zn+Pb anomalism on hills and intervening flats.

Toggenburg Plains

On outcropping parts of the Pavian Trend (South Ridge, Border-Nosib H ridge; Figure 9), **recognised prospects or deposits occur every 900 to 1500 metres**. Such regularity should continue beneath the soils of the Toggenburg Plains at the centre of the trend. The breadth of the plains is such that another 4 to 6 prospects may be located beneath the soils. This is considered to be a worst-case scenario.

However, Sabre's analysis of the Pavian Trend indicates that **extensive massive sulphide zinc, lead and copper mineralisation** is likely to be **located beneath the Toggenburg Plains** to the east of the Border deposit. The change in outcrop style from ridge to plains, combined with subdued (but strong for soil plains) geochemical anomalism, is interpreted to represent alteration and mineralisation of the host rock sequence beneath cover.

Buried mineralisation has already been intercepted by Sabre on the Toggenburg Plains. Our drilling at the Border deposit showed that the highest zinc and lead grades were intercepted beneath the flats towards the eastern end of the drilling programme. These lie on the very westernmost part of the plains. The model for massive sulphides beneath the Toggenburg Plains means that Border, which is a defined deposit in its own right, is likely to be a peripheral deposit to the main centre of mineralisation.

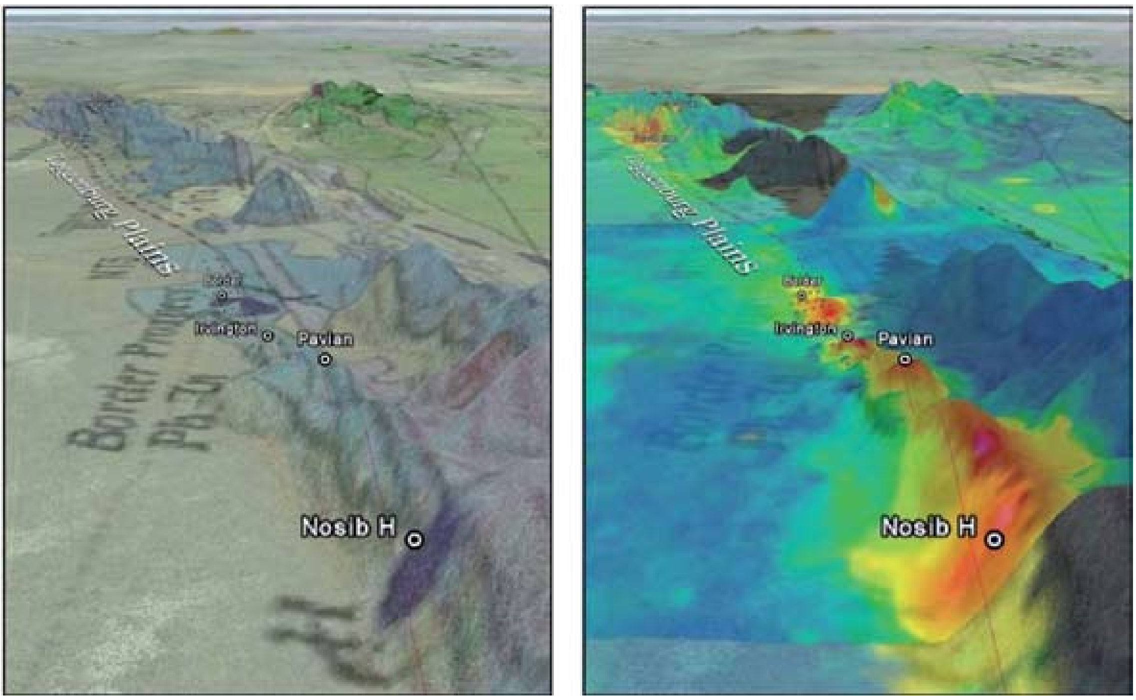

Figure 9 – *Oblique view of the Pavian Trend, showing the restriction of highly anomalous values to the ridges, and more subdued values on the plains. The Elandshoek Formation is represented by blues in the left image. The Pavian Trend is marked by a thin pink line in both images. Prospects along the Trend and the Border drill programme drillhole collars are shown. Colours used represent Zn+Pb soil geochemistry values (as per Figure 3). Topography is exaggerated by a factor of 3.*

Nosib H copper, zinc and lead anomaly

Nosib H is a distinct zinc, lead and copper anomaly on the Pavian Trend identified by Sabre through comprehensive soil sampling. In outcrop, the Nosib H anomaly coincides with outcropping base metal minerals including galena (lead sulphide), malachite (copper carbonate) and smithsonite (zinc carbonate). Examples of assays recorded at Nosib H are reported in Appendix 2.

Copper values at Nosib H are consistent along more than 2,000 metres of strike (Figure 10), with peak values of around 500 ppm copper. Elsewhere in the Otavi Mountain Land, **values of 500 ppm copper in soils coincide with historic copper mines and known copper prospects.** The strong association of anomalous copper values with high lead and zinc soil geochemistry values (Figure 11) marks Nosib H as a **high-priority exploration target** similar in style to the giant Tsumeb Cu-Zn-Pb orebody 40 km to the north.

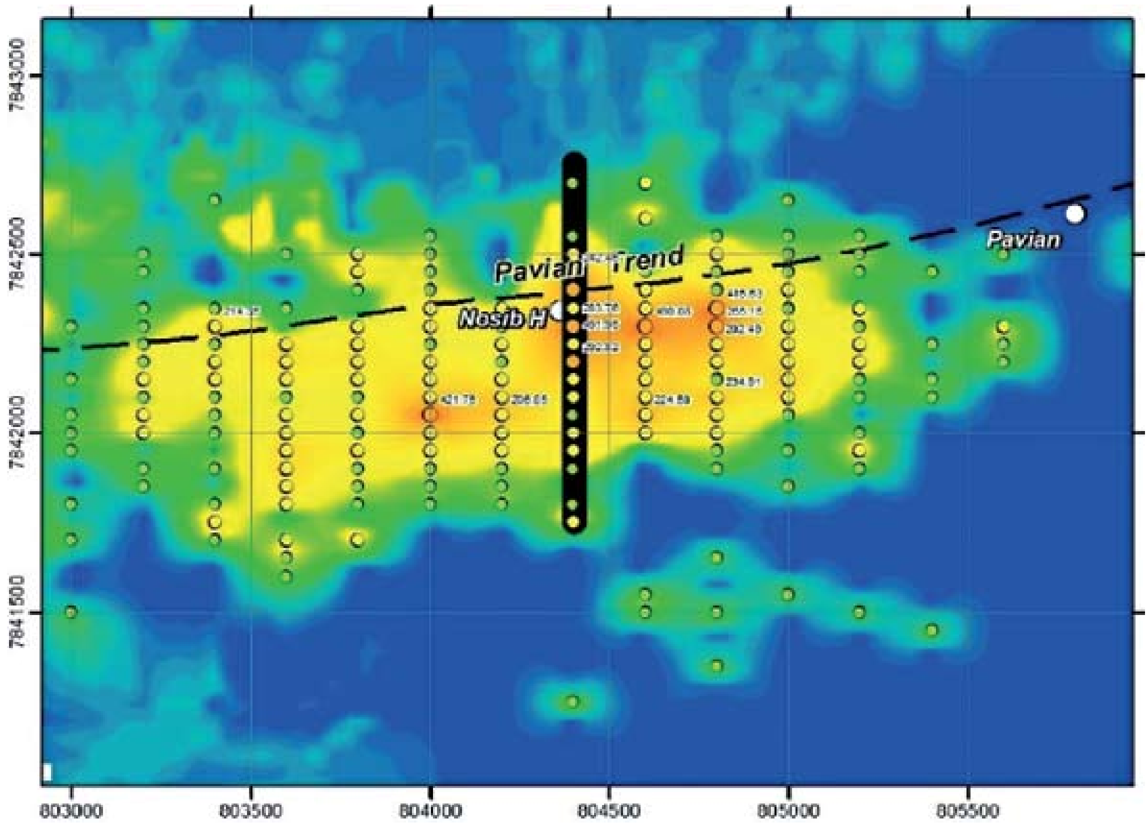

Figure 10 – *Soil geochemistry results for copper at the Nosib H prospect on the Pavian Trend. Values peak at around 500 ppm at the centre of the anomaly. The thick black line represents the 804,400 mE section along which values are compared in Figure 3 below.*

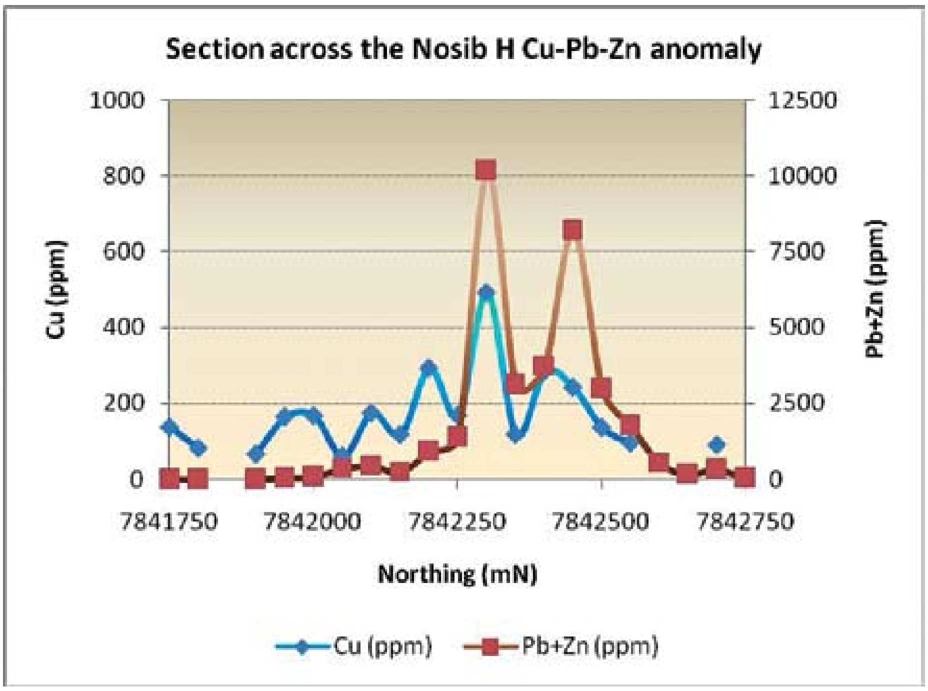

Figure 11 – *A profile along the 804,400 mE section for copper (blue) and Zn+Pb (red) values. Note that the peak copper values coincide with the Zn+Pb highs*

World-class potential on the Pavian Trend

The **15 kilometre long Pavian Trend** is a zinc, lead and copper trend of 'world-class' potential. **Globally, strong base metal trends of this size are a rarity.**

It is useful to compare the dimensions of Sabre's newly discovered soil anomalism to the footprint of one of the world's great lead-zinc-silver deposits – **Mount Isa** in northern Australia.

The total calculated metal endowment of the Mount Isa deposits is 150 Mt @ 7.0% Zn, 6.0% Pb and 150ppm Ag (Huston et al. 2006). The Mount Isa orebodies have an irregular surface footprint of about 3,000 x 600 m.

There are clear differences between the styles of mineralisation at Border and Mount Isa, but superposition of the Mount Isa orebody footprint over the Pavian Trend (Figure 12) serves to illustrate that **the dimensions of a world-class orebody** are consistent with the **size and distribution of the soil geochemistry anomalies** discovered on the Pavian Trend. Figure 12 shows that the Mount Isa footprint is almost identical in size to the Nosib H anomaly (Figure 10). Equally, the soil covered Toggenburg Plains between Border and South Ridge, as well as the South Ridge anomaly (Figure 6) provide ample space and high prospectivity for a substantial deposit.

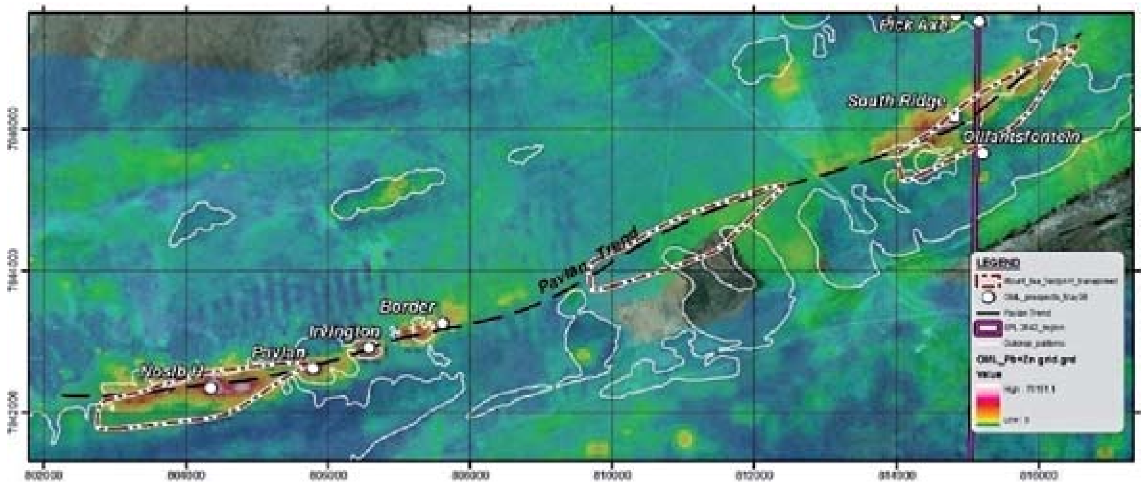

Figure 12 *– Superposition of the Mount Isa footprint (red dashed line) on several anomalies along the Pavian Trend.*

D. Upcoming work

Field assessment of the Nosib H and Pavian prospects will continue, as will investigation of the Toggenburg Plains.

Work has commenced on the Lucas Post Trend (Figure 13) around 16 kilometres southwest of Border. The **Lucas Post Trend is a copper, zinc and lead trend around 9 kilometres long** that incorporates the Tigerschlught, Uitsabpad and Lucas Post prospects, and the Harasib Claims / Harasib III copper-zinc-lead-vanadium mine (Figure 14). **Copper** values in soils are as high as 2,320 ppm, and zinc + lead values are as high as 3.5%. Soil geochemistry data will be collected from Tigerschlught through to Harasib III, and assessment of known prospects will be undertaken. The Lucas Post Trend is yet another extensive soil geochemistry trend that illustrates the high prospectivity of the Otavi Mountain Land.

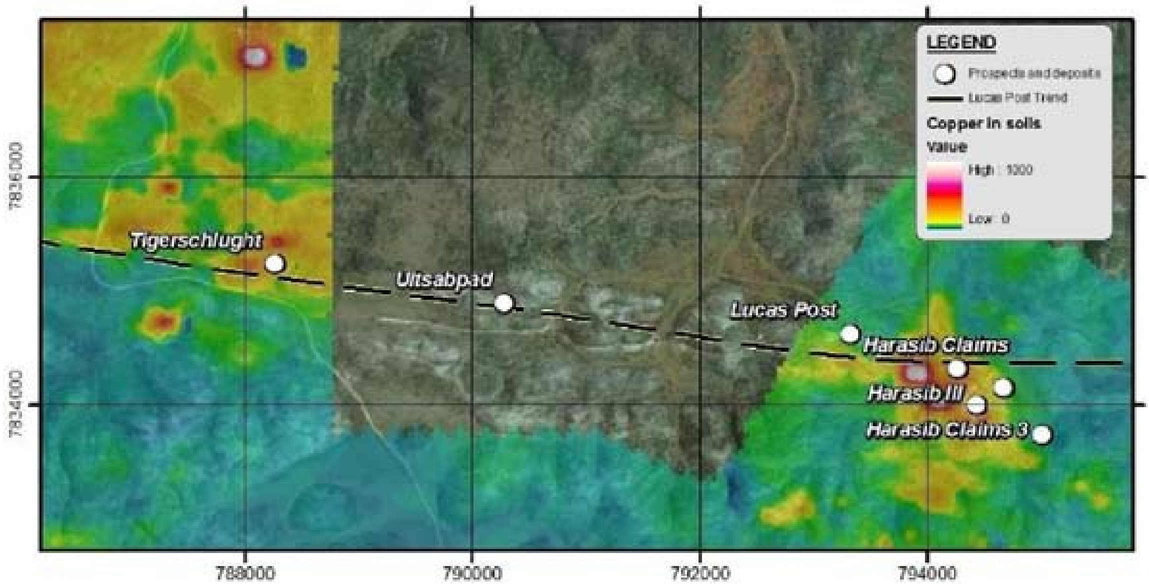

Figure 13 *– The Lucas Post Trend showing historic copper soil geochemistry values.*

Figure 14 *– Mining activity at Harasib Claims / Harasib III from the 1930s, showing several levels of workings on the hillside (top left), an adit (top right) and a waste dump (bottom left).*

REFERENCE

Huston, D.L., Stevens, B., Southgate, P.N., Muhling, P., and Wyborn, L., 2006. Australian Zn¬Pb-Ag ore-forming systems: a review and analysis. *Economic Geology*, v. 101, p. 1117-1157

APPENDIX 1 – INTERCEPTS FROM DRILLING AT BORDER

Intercepts have been defined at Border and Irvington on the basis of a number of criteria. Intercepts of greater than or equal to 1m thickness were defined by the following values:

- Lead (Pb) + Zinc (Zn) content greater than 2.5%

Or • Copper (Cu) content greater than 0.2%

Or • Silver (Ag) content greater than 31 g/t (~1 oz/t)

Line 1 (Irvington)

BDRC0002

4 m @ 2.23 % Pb+Zn (0.17 % Pb + 2.06 % Zn), 0.01 % Cu, & <10 g/t Ag from 64 m

2 m @ 3.92 % Pb+Zn (0.13 % Pb + 3.79 % Zn), 0.03 % Cu, & <10 g/t Ag from 70 m

Line 3 (Irvington)

BDRC0006

8 m @ 5.23 % Pb+Zn (4.86 % Pb + 0.38 % Zn), 0.04 % Cu, & 15.8 g/t Ag from 54 m

including 4 m @ **9.15 % Pb+Zn** (8.68 % Pb + 0.47 % Zn), 0.07 % Cu, & **26.5 g/t Ag** from 54 m

2 m @ 0.04 % Pb+Zn (0.01 % Pb + 0.03 % Zn), 0.02 % Cu, & **39.0 g/t Ag** from 88 m

2 m @ 6.29 % Pb+Zn (5.71 % Pb + 0.57 % Zn), 0.03 % Cu, & 18.5 g/t Ag from 92 m

Line 5

BDRC0013D

2 m @ 2.78 % Pb+Zn (0.47 % Pb + 2.31 % Zn), 0.03 % Cu, & <10 g/t Ag from 83 m

Line 6

BDRC0018D

5 m @ 3.45 % Pb+Zn (0.94 % Pb + 2.51 % Zn), 0.01 % Cu, & <10 g/t Ag from 79 m

including **2 m @ 7.37 % Pb+Zn** (2.25 % Pb + 5.12 % Zn), 0.02 % Cu, & 13.0 g/t Ag from 79 m

3 m @ 2.54 % Pb+Zn (1.25 % Pb + 1.30 % Zn), 0.005 % Cu, & <10 g/t Ag from 92 m

including **1 m @ 5.62 % Pb+Zn** (3.62 % Pb + 2.00 % Zn), 0.004 % Cu, & 16.0 g/t Ag from 92 m

2 m @ 4.32 % Pb+Zn (2.50 % Pb + 1.82 % Zn), 0.01 % Cu, & 14.5 g/t Ag from 98 m

1 m @ 3.64 % Pb+Zn (2.15 % Pb + 1.49 % Zn), 0.03 % Cu, & 13.0 g/t Ag from 103 m

2 m @ 2.78 % Pb+Zn (1.35 % Pb + 1.43 % Zn), 0.004 % Cu, & <10 g/t Ag from 124 m

1 m @ 2.90 % Pb+Zn (0.21 % Pb + 2.69 % Zn), 0.005 % Cu, & <10 g/t Ag from 136 m

Line 7

BDRC0021

1 m @ 11.93 % Pb+Zn (6.49 % Pb + 5.44 % Zn), 0.09 % Cu, & 35.0 g/t Ag from 3 m
4 m @ 0.25 % Pb+Zn (0.03 % Pb + 0.22 % Zn), 0.01 % Cu, & **78.0 g/t Ag** from 82 m
2 m @ 0.07 % Pb+Zn (0.01 % Pb + 0.06 % Zn), <0.001 % Cu, & **41.0 g/t Ag** from 92 m

BDRC0022

4 m @ 4.26 % Pb+Zn (2.98 % Pb + 1.28 % Zn), 0.01 % Cu, & 14.0 g/t Ag from 32 m
4 m @ 4.90 % Pb+Zn (0.72 % Pb + 4.19 % Zn), 0.02 % Cu, & <10 g/t Ag from 50 m

BDDD0023

2 m @ 3.68 % Pb+Zn (1.17 % Pb + 2.51 % Zn), 0.02 % Cu, & <10 g/t Ag from 73 m
2 m @ 2.53 % Pb+Zn (0.22 % Pb + 2.31 % Zn), 0.01 % Cu, & <10 g/t Ag from 87 m
5 m @ 3.80 % Pb+Zn (0.38 % Pb + 3.42 % Zn), 0.05 % Cu, & 11.2 g/t Ag from 114 m
including **3 m @ 5.42 % Pb+Zn** (0.53 % Pb + 4.89 % Zn), 0.08 % Cu, & 15.3 g/t Ag from 116 m

Line 8

BDDD0026

1 m @ 4.15 % Pb+Zn (0.12 % Pb + 4.04 % Zn), 0.005 % Cu, & <10 g/t Ag from 38 m

BDDD0027

1 m @ 3.27 % Pb+Zn (2.99 % Pb + 0.28 % Zn), 0.01 % Cu, & 11.0 g/t Ag from 46 m
2 m @ 3.19 % Pb+Zn (0.01 % Pb + 3.19 % Zn), 0.003 % Cu, & <10 g/t Ag from 65 m

BDDD0028

1 m @ 3.68 % Pb+Zn (0.80 % Pb + 2.08 % Zn), 0.02 % Cu, & <10 g/t Ag from 53 m
16 m @ 3.05 % Pb+Zn (0.74 % Pb + 2.36 % Zn), 0.01 % Cu, & <10 g/t Ag from 61 m
including **4 m @ 3.65 % Pb+Zn** (0.70 % Pb + 2.95 % Zn), 0.01 % Cu, & <10 g/t Ag from 61 m
and **2 m @ 5.15 % Pb+Zn** (1.32 % Pb + 3.83 % Zn), 0.03 % Cu, & <10 g/t Ag from 72 m
and **2 m @ 5.96 % Pb+Zn** (1.89 % Pb + 4.08 % Zn), 0.02 % Cu, & <10 g/t Ag from 75 m
3 m @ 2.95 % Pb+Zn (0.60 % Pb + 2.35 % Zn), 0.05 % Cu, & <10 g/t Ag from 84 m
1 m @ 4.04 % Pb+Zn (1.31 % Pb + 1.42 % Zn), 0.005 % Cu, & <10 g/t Ag from 92 m
1 m @ 3.13 % Pb+Zn (0.37 % Pb + 2.76 % Zn), 0.01 % Cu, & <10 g/t Ag from 105 m

Line 9

BDDD0029

1 m @ 3.52 % Pb+Zn (<0.005% Pb + 3.52 % Zn), 0.002 % Cu, & <10 g/t Ag from 33 m

BDDD0031

8 m @ 2.72 % Pb+Zn (0.96 % Pb + 1.85 % Zn), 0.02 % Cu, & <10 g/t Ag from 29 m
including **2 m @ 4.00 % Pb+Zn** (1.68 % Pb + 2.32 % Zn), 0.02 % Cu, & <10 g/t Ag from 29 m
and **3 m @ 3.59 % Pb+Zn** (1.30 % Pb + 2.29 % Zn), 0.02 % Cu, & <10 g/t Ag from 33 m
3 m @ 4.13 % Pb+Zn (0.25 % Pb + 3.88 % Zn), 0.02 % Cu, & <10 g/t Ag from 45 m
1 m @ 0.18 % Pb+Zn (0.01 % Pb + 0.17 % Zn), **0.24 % Cu**, & <10 g/t Ag from 49 m
1 m @ 2.54 % Pb+Zn (0.68 % Pb + 1.85 % Zn), 0.02 % Cu, & <10 g/t Ag from 50 m
1 m @ 3.08 % Pb+Zn (1.46 % Pb + 1.63 % Zn), 0.01 % Cu, & <10 g/t Ag from 50 m
1 m @ 2.90 % Pb+Zn (0.94 % Pb + 1.96 % Zn), 0.01 % Cu, & <10 g/t Ag from 59 m

BDRC0032D
3 m @ 3.39 % Pb+Zn (0.15 % Pb + 3.23 % Zn), 0.03 % Cu, & <10 g/t Ag from 48 m
4 m @ 4.13 % Pb+Zn (3.72 % Pb + 0.41 % Zn), 0.01 % Cu, & 19.3 g/t Ag from 55m
1 m @ 2.98 % Pb+Zn (2.44 % Pb + 0.54 % Zn), 0.003 % Cu, & 10 g/t Ag from 60 m
24 m @ 3.58 % Pb+Zn (0.58 % Pb + 3.03 % Zn), 0.01 % Cu, & <10 g/t Ag from 71 m
including **6 m @ 4.73 % Pb+Zn** (1.15 % Pb + 3.58 % Zn), 0.01 % Cu, & <10 g/t Ag from 71 m
and **2 m @ 4.85 % Pb+Zn** (0.48 % Pb + 4.37 % Zn), 0.01 % Cu, & <10 g/t Ag from 79 m
and **1 m @ 3.64 % Pb+Zn** (0.24 % Pb + 3.41 % Zn), 0.01 % Cu, & <10 g/t Ag from 83 m
and **1 m @ 9.02 % Pb+Zn** (1.26 % Pb + 7.76 % Zn), 0.01 % Cu, & <10 g/t Ag from 85 m
and **2 m @ 4.17 % Pb+Zn** (0.46 % Pb + 3.71 % Zn), 0.02 % Cu, & <10 g/t Ag from 87 m
and 3 m @ 4.83 % Pb+Zn (0.46 % Pb + 4.36 % Zn), 0.02 % Cu, & <10 g/t Ag from 92 m
8 m @ 3.39 % Pb+Zn (1.53 % Pb + 1.87 % Zn), 0.06 % Cu, & 17.6 g/t Ag from 99 m
including **2 m @ 4.12 % Pb+Zn** (1.39 % Pb + 2.74 % Zn), 0.02 % Cu, & 12.0 g/t Ag from 99 m
and **3 m @ 4.50 % Pb+Zn** (2.63 % Pb + 1.86 % Zn), 0.11 % Cu, & 31.7 g/t Ag from 104 m
8 m @ 3.12 % Pb+Zn (0.59 % Pb + 1.94 % Zn), 0.03 % Cu, & 11.8 g/t Ag from 110 m
including **3 m @ 5.29 % Pb+Zn** (1.48 % Pb + 3.81 % Zn), 0.05 % Cu, & 16.0 g/t Ag from 112 m
and **1 m @ 3.42 % Pb+Zn** (1.97 % Pb + 1.45 % Zn), 0.03 % Cu, & 13.0 g/t Ag from 117 m

Line 10

BDDD0034
1 m @ 3.72 % Pb+Zn (0.04 % Pb + 3.69 % Zn), 0.05 % Cu, & 11.5 g/t Ag from 82 m

BDRC0035D
6 m @ 2.96 % Pb+Zn (0.11 % Pb + 2.85 % Zn), 0.02 % Cu, & <10 g/t Ag from 44 m

BDRC0036D
13 m @ 2.91 % Pb+Zn (0.34 % Pb + 2.57 % Zn), 0.01 % Cu, & <10 g/t Ag from 81 m
including **4 m @ 2.61 % Pb+Zn** (0.01 % Pb + 2.60 % Zn), 0.004 % Cu, & <10 g/t Ag from 81 m
and **3 m @ 5.47 % Pb+Zn** (0.97 % Pb + 4.50 % Zn), 0.03 % Cu, & 11.7 g/t Ag from 88 m
and **2 m @ 5.01 % Pb+Zn** (0.35 % Pb + 4.31 % Zn), 0.02 % Cu, & 15.5 g/t Ag from 92 m
2 m @ 2.84 % Pb+Zn (1.32 % Pb + 1.52 % Zn), 0.04 % Cu, & <10 g/t Ag from 99 m

APPENDIX 2 – SOIL SAMPLING AT NOSIB H

XRF analysis results for soils across the Nosib H Cu-Zn-Pb prospect along the 804,400 mE section.
All assay values are in parts per million (ppm)

UTM East	UTM Nth	UTM Zone	Cu	Pb	Zn	Mn	V	Fe	Zr	Cr	Ti	Ca	Pb+Zn
804400	7841650	33S			125.61	2150.49	86.86	13304.2	107.05	96.5	1189.04	14996.71	
804400	7841700	33S			67.32	1777.22	56.59	12605.97	136.15	96.84	1213.41	10733.21	
804400	7841750	33S	136.93	30.27	169.82	1799.17	78.1	15699.59	141.9	100.53	1505.13	38469.44	200.09
804400	7841800	33S	81.52	32.56	84.75	2329.48	111.28	19114.69	149.34	99.52	1856.46	19252.66	117.31
804400	7841850	33S			101.33	1995.61	86.26	14751.88	123.84	78.89	1339.52	13693.81	
804400	7841900	33S	65.92	22.62	101.29	2530.79	104.36	15996.18	120.92	96.51	1465.74	11321.98	123.91
804400	7841950	33S	164.23	76.86	152.51	2507.3	97.66	19583.38	185.51	124.89	1796.67	10030.73	229.37
804400	7842000	33S	167.38	119.27	455.68	2341.88	94.13	19525.97	127.99	83.1	1675.8	19911.66	574.95
804400	7842050	33S	60.83	386.66	607.12	1298.88	119.7	15178.23	122.79	105.63	1515.3	13445.23	993.78
804400	7842100	33S	174.46	470.14	700.06	1929.36	212.17	19838.2	138.69	109.35	1930.18	15625.31	1170.2
804400	7842150	33S	117.58	269.28	373.19	1599.49	72.24	14906.83	123.54	103.32	1575.57	8515.99	642.47
804400	7842200	33S	292.82	949.28	4613.27	1982.13	121.04	19284.81	124.04	72.47	1648.54	60553.53	5562.55
804400	7842250	33S	168.05	1425.6	3500.17	886.12	121.5	22445.85	147.28	121.6	2074.32	13520.62	4925.77
804400	7842300	33S	**491.95**	**10183.63**	**15755.79**	1354.51	71.94	13010.91	99.27	75.04	1112.39	30469.21	**25939.42**
804400	7842350	33S	118.19	3139.32	7751.79	788.5	81.61	12778.99	106.05	49.27	1007.17	29013.52	10891.11
804400	7842400	33S	283.76	3754.02	8069.76	516.91	116.46	12453.25	136.88	76.88	1230.35	11418.77	11823.78
804400	7842450	33S	242.46	8204.33	8871.37	1129.82	76.35	12873.11	158.28	78.69	1173.29	16334.75	17075.7
804400	7842500	33S	136.18	3020.45	3741.35	489.34	89.27	11155.7	115.41	87.05	1061.64	5784.8	6761.8
804400	7842550	33S	95.38	1798.08	2789.52	607.89	114.49	14975.11	124.26	108.11	1621.97	10125.18	4587.6
804400	7842600	33S		554.32	1229.13		70.4	9397.14	83.23	121.35	1173.35	84684.52	1783.45
804400	7842650	33S		201.62	492.86			8473.93	151.05	82.68	955.14	19282.79	694.48
804400	7842700	33S	90.19	364.17	669.09	943.31	108.69	10605.8	148.71	84.86	1262.35	81847.57	1033.26
804400	7842750	33S		70.49	209.25		74.08	9835.18	124.85	62.94	1218.18	11358.76	279.74
804400	7842800	33S		76.5	279.41	518.73	64.32	11585.29	129.16	80.55	1394.07	12136.41	355.91

Directors' Report

The Directors present their report on Sabre Resources Ltd ("the Company") and its controlled entities for the year ended 30 June 2009.

DIRECTORS

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

Alexander Clemen
Jonathan Downes
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	–
Jonathan Downes	–	–
Michael Scivolo	–	–
David Zukerman	10	–

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 $783,299 (2008: $988,501).

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) All of the Directors were in office for the entire period. Their qualifications, experience and special responsibilities are as follows:-

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

Mr Clemen is a qualified geologist with over thirty 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 fifteen 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)

2009

Key Management Personnel	Short-term Benefits		Share-based Payment	
	Directors Fees $	Consulting Fees $	Options $	Total $
A Clemen	12,000	39,650	–	51.650
J Downes	13,080	–	–	13,080
M Scivolo	13,080	–	–	13,080
D Zukerman	–	25,003	–	25,003
	38,160	64,653	–	102,813

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	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

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 no benefits in the form of share-based payments during the year ended 30 June 2009. In the previous year, shareholders approved the grant of 300,000 options to each of the Directors in office at the time. The fair value of the options was determined using the Black Scholes formula and brought to account during the year ended 30 June 2008. The options were exercisable at 15 cents per option at any time up to their expiry date of 30 November 2008. All options expired unexercised 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 2009, and the number of meetings attended by each Director.

Name	Eligible to attend	Attended
Alexander Clemen	2	2
Jonathan Downes	2	2
Michael Scivolo	2	2
David Zukerman	2	2

RETIREMENT, ELECTION AND CONTINUATION OF OFFICE OF DIRECTORS

Mr Scivolo retired by rotation as a Director at the Annual General Meeting on 12 November 2008 and was re-elected. At that Annual General Meeting, Mr Downes, who had been appointed on 13 December 2007 to fill a casual vacancy was elected as a Director.

Mr Zukerman, who is retiring by rotation, will offer himself for re-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

On September 25 2009, the Board announced that it had reached an agreement to place 22 million ordinary fully paid shares to raise $2.2 million, within the coming months. Of the 22 million shares to be issued, 11 million shares to raise $1.1 million will be issuant pursuant to the Company's 15% placement capacity under the ASX Listing Rules; and the remaining 11 million shares to be issued subject to shareholder approval at a General Meeting of the Company.

No other matters or circumstances have arisen since the end of the financial year, which significantly affect or may significantly affect the operations of the economic entity, the results of these operations, or the state of affairs of the economic entity in the subsequent financial years.

INDEMNIFYING OFFICERS OR AUDITOR

No indemnities have been given, or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

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) 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

(c) 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

(d) 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.

AUDIT COMMITTEE

No Audit Committee has been formed as the Directors believe that the Company is not of a size to justify having a separate Audit Committee. Given the small size of the Board, the Directors believe an Audit Committee structure to be inefficient.

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 52.

NON AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of Independence for auditors imposed by the *Corporations Act 2001*.

Fees for non-audit services, paid/payable to the external auditors Grant Thornton during the year ended 30 June 2009 amounted $6,140 (2008: $2,910).

The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

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 2009.
Perth, Western Australia

Income Statement

for the year ended 30 June 2009

	Note	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Revenue	4	49,629	124,869	49,611	124,861
Expenditure					
Depreciation		16,906	4,326	3,809	1,220
Loss on sale of fixed assets		777	–	–	–
Exploration expenditure		–	21,367	–	21,367
Management fee		208,416	341,074	208,416	341,074
Directors' fees and services		63,163	55,391	63,163	55,391
Other expenses		147,962	174,843	92,466	146,569
Occupancy costs		395,704	279,119	380,729	269,329
Option issues expensed		–	237,250	–	237,250
Provision against loans to subsidiaries		–	–	775,686	606,621
		832,928	1,113,370	1,524,269	1,678,821
Loss before income tax		(783,299)	(988,501)	(1,474,658)	(1,553,960)
Income tax	5	–	–	–	–
LOSS AFTER INCOME TAX	**16**	**(783,299)**	**(988,501)**	**(1,474,658)**	**(1,553,960)**

EARNINGS PER SHARE		Cents	Cents
Loss per share	18	(1.1)	(1.6)

The accompanying notes form part of these financial statements

Balance Sheet

as at 30 June 2009

	Note	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
CURRENT ASSETS					
Cash and cash equivalents	8	395,169	1,928,213	390,593	1,869,631
Trade and other receivables	9	32,788	28,298	32,395	27,970
TOTAL CURRENT ASSETS		427,957	1,956,511	422,988	1,897,601
NON-CURRENT ASSETS					
Plant and equipment	10	40,496	31,980	8,006	6,236
Exploration	11	9,809,484	8,789,070	–	–
Other financial assets	12	–	–	8,504,238	8,364,554
TOTAL NON-CURRENT ASSETS		9,849,980	8,821,050	8,512,244	8,370,790
TOTAL ASSETS		**10,277,937**	**10,777,561**	**8,935,232**	**10,268,391**
CURRENT LIABILITIES					
Trade and other payables	13	227,415	81,989	219,176	77,677
TOTAL CURRENT LIABILITIES		227,415	81,989	219,176	77,677
TOTAL LIABILITIES		**227,415**	**81,989**	**219,176**	**77,677**
NET ASSETS		**10,050,522**	**10,695,572**	**8,716,056**	**10,190,714**
EQUITY					
Issued capital	14	27,703,957	27,703,957	27,703,957	27,703,957
Share option reserve	15	643,966	643,966	643,966	643,966
Foreign currency translation reserve		77,648	(60,601)	–	–
Accumulated losses	16	(18,375,049)	(17,591,750)	(19,631,867)	(18,157,209)
TOTAL EQUITY		**10,050,522**	**10,695,572**	**8,716,056**	**10,190,714**

The accompanying notes form part of these financial statements

Statement of Changes in Equity

for the year ended 30 June 2009

CONSOLIDATED ENTITY

	Issued Capital $	Option Reserve $	Foreign Currency Translation Reserve $	(Accumulated Losses) $	Total $
Balance as at 1 July 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**
Foreign currency translation	–	–	138,249	–	138,249
Loss attributable to members of parent entity	–	–	–	(783,299)	(783,299)
Balance as at 30 June 2009	**27,703,957**	**643,966**	**77,648**	**(18,375,049)**	**10,050,522**

PARENT ENTITY

	Issued Capital $	Option Reserve $	Foreign Currency Translation Reserve $	(Accumulated Losses) $	Total $
Balance as at 1 July 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**
Loss attributable to members of parent entity	–	–	–	(1,474,658)	(1,474,658)
Balance as at 30 June 2009	**27,703,957**	**643,966**	**–**	**(19,631,867)**	**8,716,056**

The accompanying notes form part of these financial statements

Cashflow Statement

for the year ended 30 June 2009

	Note	CONSOLIDATED		PARENT ENTITY	
		2009 $	2008 $	2009 $	2008 $
Cashflow from operating activities					
Payments to suppliers		(536,060)	(912,515)	(607,700)	(817,776)
Interest received		49,629	124,869	49,611	124,861
Net cash inflow/(outflow) from operating activities	17	(486,431)	(787,646)	(558,089)	(692,915)
Cashflow from investing activities					
Proceeds from sale of assets	–	–	–	–	
Advances to subsidiaries	–	–	(775,686)	(606,621)	
Purchase of fixed assets	10	(26,199)	(34,192)	(5,579)	(5,400)
Movement in financial assets			(139,684)	(385,921)	
Exploration expenditure	11	(1,020,414)	(810,437)		
Net cash inflow/(outflow) from investing activities		(1,046,613)	(844,629)	(920,949)	(997,942)
Cashflow from financing activities					
Proceeds from issue of shares		–	3,500,000	–	3,500,000
Proceeds from issue of options		–	–	–	–
Net cash inflow from financing activities		–	3,500,000	–	3,500,000
Net increase/(decrease) in cash and cash equivalents held		(1,533,044)	1,867,725	(1,479,038)	1,809,143
Cash and cash equivalents at the beginning of the financial year		1,928,213	60,488	1,869,631	60,488
Cash and cash equivalents at the end of the financial year	8	395,169	1,928,213	390,593	1,869,631

The accompanying notes form part of these financial statements

Notes to the Financial Statements

for the year ended 30 June 2009

1. CORPORATE INFORMATION

The financial report of Sabre Resources Ltd (the Company) for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 30 September 2009.

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 interpretations which may impact the Company not yet adopted

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [ASSB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purpose of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-8: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

AASB 2008-1: Amendments to Australian Accounting Standards – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to ASSB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial Statements.

(d) Going concern

For the year ended 30 June, the Company incurred a net loss after taxation of $1,474,658 (2008: $1,553,960). Cash flow used in operations was $558,089 (2008: $692,915) and cash flow used in investment activities was $920,949 (2008: $997,942), comprising a total cash burn rate of $1,479,038 (2008: $1,690,857) for the period. For the same period, the Group incurred a net loss after taxation of $783,299 (2008: $988,501). Cash flow used in operations was $486,431 (2008: $787,646) and cash flow used in investment activities was $1,045,836 (2008: $844,269), comprising a total cash burn rate of $1,533,044 (2008: $1,632,275) for the period. As the Group's activities are principally mining exploration it does not currently generate revenue income.

The company's ability to continue as a going concern and expand its exploration and development activities depends on its ability to obtain financing through equity financing, joint ventures, production off take arrangements or other means.

Subsequent to the year end, the Board announced that it intends to place 22 million ordinary fully paid shares to raise $2.2 million, within the coming months. Further, a mandate has been signed with a prospective underwriter. The mandate signed by the underwriter is cancellable by the underwriter, until such time as a final underwriting sub-agreement have been finalised and signed.

After making enquiries, the Directors have concluded that the combination of these circumstances represents a material uncertainty that casts doubt upon the company's ability to continue as a going concern. Nevertheless, the Directors have a reasonable expectation that subject to the successful outcome of the capital raising initiatives described above, the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have continued to adopt the going concern basis in the preparation of this report.

(e) 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.

Notes to the Financial Statements

for the year ended 30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(f) 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.

(g) Foreign currency translation

The functional and presentation currency of Sabre Resources Ltd, Raslot Pty Ltd (which was deregistered in November 2008) 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.

(h) 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.

Notes to the Financial Statements

for the year ended 30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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.

(i) 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.

(j) 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.

(k) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(l) 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.

(m) 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.

(n) 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.

(o) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(p) Share-based payment transactions

(i) Equity settled transactions:

In the year under review, the Group did not provide benefits to management personnel and consultants of the Group in the form of share-based payments whereby personnel render services in exchange for shares, although this type of benefit was provided in previous years.

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.

(q) 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.

(r) 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.

Notes to the Financial Statements

for the year ended 30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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.

(s) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(t) 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.

(u) 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.

(v) 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.

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).

Notes to the Financial Statements

for the year ended 30 June 2009

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS continued

(ii) Significant accounting estimates and assumptions include:

(a) Share-based payment transactions

The Group measured the cost of equity-settled transactions with management personnel and consultants in previous years by reference to the fair value of the equity instruments at the date at which they were granted. The fair value was 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 measured 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.

(c) Assumption of renewal of tenement

The mining tenement EPL 3542 in Namibia is due to expire on 29 October 2009 and an application for renewal has been lodged on 25 July 2009. The costs relating to this mining tenement that have been capitalised in the consolidated entity is $9,809,484.

The company has fulfilled all necessary obligations for the renewal of EPL 3542 under the terms of that Licence and has not received any indication from the Ministry of Mines and Industry that there are any impediments to the renewal of this tenement. It is the directors' belief that, on the basis of the information available to them, the tenement would be renewed in the normal manner on the appropriate date

Notes to the Financial Statements

for the year ended 30 June 2009

4. REVENUE

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Interest Earned	49,629	124,869	49,611	124,861
	49,629	124,869	49,611	124,861

5. INCOME TAX

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	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%	(234,990)	(296,550)	(442,397)	(466,188)
Add:				
Tax effect of:				
Other non allowable items	690	101,370	690	283,356
Other assessable items		–		–
Provisions	–	(1,500)	–	(1,500)
Deferred tax asset not bought to account	262,566	199,618	441,707	187,270
Less:				
Tax effect of:				
Capital raising costs		(2,643)		(2,643)
Income accruals		(295)		(295)
Effect of overseas tax rate	(28,266)			–
Income tax attributable to entity	–	–	–	–
Unrecognised Deferred Tax Assets				
– Tax losses: operating losses	2,587,003	2,237,721	2,389,140	2,180,460
– Tax losses: capital losses	1,869,800		1,869,800	
– Temporary differences	797,229		797,186	
– Temporary differences equity	25,879	4,328	2,585	4,328
– Foreign	913,889		332,539	
	6,193,800	2,242,049	5,391,250	2,184,788
Unrecognised Deferred Tax Liabilities	(233)		(233)	

(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 purposes 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.

Notes to the Financial Statements

for the year ended 30 June 2009

6. AUDITOR'S REMUNERATION

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

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Remuneration of the auditor of the parent entity, Grant Thornton (WA) Partnership				
– auditing or reviewing of the financial report	38,783	17,214	–	–
– taxation services provided by related practice of the auditor	6,140	2,910	–	–
Remuneration of other auditors of subsidiaries for:				
– auditing or reviewing the financial reports of subsidiaries	8,706	5,034	–	–
	53,629	25,158	–	–

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
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 Vested at 1 July 2008	Granted as Compensation	Options Exercised	Options Expired	Balance Vested at 30 June 2009
A Clemen	300,000	–	–	300,000	–
J Downes	–	–	–	–	–
M Scivolo	300,000	–	–	300,000	–
D Zukerman	300,000	–	–	300,000	–
Total	900,000	–	–	900,000	–

During the year ended 30 June 2008, 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 were exercised, and all lapsed on 30 November 2008.

Notes to the Financial Statements

for the year ended 30 June 2009

7. KEY MANAGEMENT PERSONNEL continued

The fair value of the options granted was 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 was based on the historical exercise patterns, which, in this case, did not eventuate.

Non-executive Directors receive a fixed fee (plus statutory superannuation), with executive Directors being remunerated for any professional services conducted for the Company. Directors received no benefits in the form of share-based payments during the year under review. However, in the previous year, shareholders approved the grant of 300,000 options to each of the Directors then in office. The options were 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. All options lapsed and none were exercised.

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	
	2009 $	2008 $	2009 $	2008 $
Represented by				
Cash at bank	45,169	328,213	40,593	269,631
Bank deposits	350,000	1,600,000	350,000	1,600,000
	395,169	1,928,213	390,593	1,869,631

9. TRADE AND OTHER RECEIVABLES

Current				
Other debtors	32,788	28,298	32,395	27,970

Notes to the Financial Statements

for the year ended 30 June 2009

10. PLANT AND EQUIPMENT

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Plant and Equipment, at cost	62,773	36,248	13,293	7,713
Less: accumulated depreciation	(22,277)	(4,268)	(5,287)	(1,477)
	40,496	31,980	8,006	6,236
Opening written down value	31,980	2,056	6,236	2,056
Additions	25,422	34,192	5,579	5,400
Depreciation	(16,906)	(4,268)	(3,809)	(1,220)
Closing written down value	40,496	31,980	8,006	6,236

11. EXPLORATION EXPENDITURE

Opening balance	8,789,070	–	–	–
Exploration expenditure	1,020,414	810,437	–	21,367
Exploration expenditure written off	–	(21,367)	–	(21,367)
Acquisition of Namibian tenement	–	8,000,000	–	–
	9,809,484	8,789,070	–	–

The mining tenement EPL 3542 in Namibia is due to expire on 29 October 2009 and an application for renewal has been lodged on 25 July 2009. The costs relating to this mining tenement that have been capitalised in the consolidated entity is $9,809,484.

The company has fulfilled all necessary obligations for the renewal of EPL 3542 under the terms of that Licence and has not received any indication from the Ministry of Mines and Industry that there are any impediments to the renewal of this tenement. It is the directors' belief that, on the basis of the information available to them, the tenement would be renewed in the normal manner on the appropriate date

Notes to the Financial Statements

for the year ended 30 June 2009

12. OTHER FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Non-Current				
Investment in subsidiary, at cost (Refer to Note 22)	–	–	8,000,000	8,000,000
Investment in subsidiary, at cost	–	–	–	194,000
Less: provision for diminution	–	–	–	(194,000)
Loan to subsidiary	–	–	–	190,870
Less: provision for non-recovery	–	–	–	(190,870)
Investment in subsidiary at cost	–	–	–	879,965
Less: provision for diminution	–	–	–	(879,965)
Exploration costs	–	–	–	364,554
Loan to subsidiary	–	–	–	3,246
Less: provision for non-recovery	–	–	–	(3,246)
Loan to subsidiary	–	–	1,883,299	967,929
Less: provision for non-recovery	–	–	(1,379,061)	(603,375)
Investment in subsidiary at cost	–	–	143	143
Less: provision for diminution	–	–	(143)	(143)
	–	–	8,504,238	8,364,544

13. TRADE AND OTHER PAYABLES

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Current				
Payables	227,415	81,989	219,176	77,677

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 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**
30 June 2009	**Balance**	**74,434,851**		**27,703,957**

Notes to the Financial Statements

for the year ended 30 June 2009

14. ISSUED CAPITAL continued

Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio and to 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.

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 2007	**Balance**	**23,600,000**		**406,716**
14 September 2007	Exercisable at 35 cents expiring 27 January 2010) (non cash)	14,000,000	–	–
14 September 2007	Exercisable at 15 cents expiring 30 November 2008) (non cash)	900,000	–	94,500
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**	
30 November 2008	Options expired	(1,500,000)	–	–
30 June 2009	**Balance**	**37,500,000**	**643,966**	

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

16. ACCUMULATED LOSSES

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Accumulated losses at the beginning of the year	(17,591,750)	(16,603,249)	(18,157,209)	(16,603,249)
Loss for year	(783,299)	(988,501)	(1,474,658)	(1,553,960)
Accumulated losses at the end of the financial year	(18,375,049)	(17,591,750)	(19,631,867)	(18,157,209)

Notes to the Financial Statements

for the year ended 30 June 2009

17. CASHFLOW INFORMATION

	Note	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Operating loss after income tax		(783,299)	(988,501)	(1,474,658)	(1,553,960)
Loss on disposal of fixed asset		777	–	–	–
Advances to subsidiaries		–	–	775,686	606,621
Depreciation of plant and equipment	10	16,906	4,268	3,809	1,220
Exploration expenditure written off	11	–	21,367	–	21,367
Non-cash share based payments	15	–	237,250	–	237,250
Decrease/(Increase) in receivables		(4,490)	(20,575)	(4,425)	(20,247)
(Decrease)/Increase in trade and other payables		145,426	19,146	141,499	14,834
Foreign currency translations		138,249	(60,601)	–	–
Net cash used by operating activities		(486,431)	(787,646)	(558,089)	(692,915)

18. EARNINGS PER SHARE

	2009 Number	2008 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	74,434,851	61,112,447

Options to purchase ordinary shares not exercised at 30 June 2009 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.

	2009	2008
Loss per share – cents	(1.1)	(1.6)

Notes to the Financial Statements

for the year ended 30 June 2009

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	
	2009 0.00% – 7.53% $	2008 0.00% – 7.63% $	2009 $	2008 $	2009 $	2008 $
Financial Assets						
Cash and cash equivalents	395,169	1,928,213	–	–	395,169	1,928,213
Receivables	–	–	32,788	28,298	32,788	28,298
Total Financial Assets	395,169	1,928,213	32,788	28,298	427,957	1,956,511
Financial Liabilities						
Trade and other payables	–	–	(227,415)	(81,989)	(227,415)	(81,989)
Net Financial Assets	395,169	1,928,213	(194,627)	(53,691)	200,542	1,874,522

Reconciliation of Financial Assets to Net Assets

	CONSOLIDATED	
	2009 $	2008 $
Net financial assets	200,542	1,874,522
Exploration expenditure	9,809,484	8,789,070
Fixed assets	40,496	31,980
	10,050,522	10,695,572

(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.

Notes to the Financial Statements

for the year ended 30 June 2009

19. FINANCIAL INSTRUMENTS continued

(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 subsidiary. 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 2009, 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	
	2009 $000	2008 $000	2009 $000	2008 $000
Change in profit				
– Increase in interest rate by 2%	12	32	12	32
– Decrease in interest rate by 2%	(12)	(32)	(12)	(32)
Change in Equity				
– Increase in interest rate by 2%	12	32	12	32
– Decrease in interest rate by 2%	(12)	(32)	(12)	(32)

(f) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- Obtaining funding from a variety of sources
- Maintaining a reputable credit profile
- Managing credit risk related to financial assets

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Notes to the Financial Statements

for the year ended 30 June 2009

19. FINANCIAL INSTRUMENTS continued

CONSOLIDATED GROUP + PARENT ENTITY	WITHIN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		TOTAL	
	2009	2008	2009	2008	2009	2008	2009	2008
Financial Liabilities – Due for Payment								
Trade and Other Payables	227,415	81,989	–	–	–	–	227,415	81,989
Total Expected Outflows	227,415	81,989	–	–	–	–	227,415	81,989
Financial Assets – Cash Flows Realisable								
Cash and Cash Equivalents	45,169	1,578,213	–	–	–	–	45,169	1,578,213
Bank Deposit over 3 months	350,000	350,000	–	–	–	–	350,000	350,000
Receivables	32,788	28,298	–	–	–	–	32,788	28,298
Total Expected Inflows	427,957	1,956,511	–	–	–	–	427,957	1,956,511

20. INVESTMENT IN CONTROLLED ENTITIES

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING %		BOOK VALUE OF INVESTMENT		CONTRIBUTION TO CONSOLIDATED RESULT	
			2009 %	2008 %	2009 $	2008 $	2009 $	2008 $
Raslot Pty Ltd	Australia	Ordinary	–	100	–	–	–	–
Mining Ventures Ltd	Tanzania	Ordinary	–	100	–	–	–	–
Link National Pty Ltd	Australia	Ordinary	100	100	8,000,000	8,000,000	–	(144)
Sabre Resources Namibia (Pty) Ltd	Namibia	Ordinary	70	70	–	–	(84,327)	(41,162)

21. RELATED PARTIES

The Company's wholly owned subsidiaries Raslot Pty Ltd and Mining Ventures Ltd were deregistered during the year. Sabre Resources Namibia (Pty) Ltd, has been loaned $1,379,061 to date, to conduct exploration. The loan is interest free with no fixed term 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 Sabre Resources Namibia (Pty) Ltd has contributed a loss of $125,489 to the net loss of the Group.

Notes to the Financial Statements

for the year ended 30 June 2009

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		CONSOLIDATED	
	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Revenue	49,611	124,861	18	8	49,629	124,869
Share of net loss	(698,972)	(947,339)	(84,327)	(41,162)	(783,299)	(988,501)
Income Tax Expense	–	–	–	–	–	–
Net loss after tax	(698,972)	(947,339)	(84,327)	(41,162)	(783,299)	(988,501)
Segment assets	8,935,232	10,268,391	1,342,705	509,114	10,277,937	10,777,561
Segment liabilities	(219,176)	(77,677)	(8,239)	(4,312)	(227,415)	(81,989)
Net assets	8,716,056	10,190,714	1,334,466	504,802	10,050,522	10,695,572

24. COMMITMENTS

(i) Mining Tenements

The Company's main focus is now the highly prospective Ongava Project in Namibia. There are no formal exploration commitments specified by the Namibian Ministry of Mining and Energy.

(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

No shares or options were granted during the year.

However, during the previous 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 was 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%

All of these options expired unexercised on 30 November 2008.

25. SHARE BASED PAYMENT PLAN continued

(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 2009. The fair value of the options granted was 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	
	2009 $	2008 $	2009 $	2008 $
Expense arising from equity-settled share-based payment transactions for:				
(a) Directors	–	94,500	–	94,500
(b) Consultants	–	142,750	–	142,750
	–	237,250	–	237,250

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:

	2009 No.	2009 WAEP (cents)	2008 No.	2008 WAEP (cents)
Outstanding at beginning of year	39,000,000	18.72	23,600,000	10.00
Granted during the year	–		15,400,000	33.83
Expired during the year	(1,500,000)		–	
Forfeited during the year	–		–	–
Exercised during the year	–		–	–
Outstanding at the end of the year	37,500,000	19.67	39,000,000	18.72

The outstanding balance as at 30 June 2009 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) 14,000,000 options over ordinary shares exercisable at 35 cents each, at any time up to 27 January 2010.

Notes to the Financial Statements

for the year ended 30 June 2009

25. SHARE BASED PAYMENT PLAN continued

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

(iv) 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 2009 was 2.38 years (2008: 3.27 years).

The range of exercise prices for options outstanding at the end of the year was 10 to 40 cents (2008: 10 to 40 cents).

The weighted average fair value of options granted during the year was zero, as no options were granted (2008: 1.54 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 2009

27. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

On September 25 2009, the Board announced that it had reached an agreement to place 22 million ordinary fully paid shares to raise $2.2 million, within the coming months. Of the 22 million shares to be issued, 11 million shares to raise $1.1 million will be issuant pursuant to the Company's 15% placement capacity under the ASX Listing Rules; and the remaining 11 million shares to be issued subject to shareholder approval at a General Meeting of the Company.

No other matters or circumstances have arisen since the end of the financial year, which significantly affect or may significantly affect the operations of the economic entity, the results of these operations, or the state of affairs of the economic entity in the subsequent financial years.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 23 to 49 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 2009 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 andwhen 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 2009
Perth, Western Australia

Auditors' Independence Declaration

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Independent Auditor's Report
To the Members of Sabre Resources Ltd

Report on the Financial Report

We have audited the accompanying financial report of Sabre Resources Ltd, (the company) which comprises the balance sheet as at 30 June 2009, 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.

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 Ltd 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 2009 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.

Significant uncertainty regarding continuation as a going concern

Without qualification to the audit opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 2(d) in the financial report which indicates that the company and the consolidated entity incurred net losses of $1,474,658 and $783,299 respectively, during the year ended 30 June 2009. These conditions, along with other matters as set forth in Note 2(d), indicate the existence of a material uncertainty which may cast significant doubt about the company and consolidated entity's ability to continue as a going concern and whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 20 of the directors' report for the year ended 30 June 2009. 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 Ltd for the year ended 30 June 2009, 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 2009

Auditors Independence Declaration

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Auditor's Independence Declaration
To The Directors of Sabre Resources Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Sabre Resources Ltd for the year ended 30 June 2009, 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 W Warr.

P W WARR
Partner

Perth, 30 September 2009

Corporate Governance

INTRODUCTION

Sabre Resources Ltd ACN 003 043 570 ("the Company") has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised below.

Additional information about the Company's corporate governance practices is set out on the Company's website at www.sabresources.com :

Principle 1 – Lay solid foundations for management and oversight

Responsibilities of the Board

The Board is responsible for the following matters:

- ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
- development of corporate strategy, implementation of business plans and performance objectives;
- reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control system and legal and regulatory compliance;
- the appointment of the Company's Corporate Manager, Chief Financial Officer, Company Secretary and other senior executives;
- monitoring senior executives' performance and implementation of strategy; determining appropriate remuneration policies;
- allocating resources and ensuring appropriate resources are available to management;
- approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

Chairman

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairman should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management of the Company. The Chairman is responsible for briefing directors on issues arising at Board meetings and ultimately is responsible for communications with shareholders and arranging Board performance evaluation.

Corporate Manager

The Corporate Manager, appointed by a contractual arrangement with the Company, is responsible for running the affairs of the Company under the supervision and direction of the Board. In carrying out its responsibilities the Corporate Manager must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

Company Secretary

The Company Secretary is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agendas and briefing material. All directors are to have access to the Company Secretary.

Performance evaluation

The Chairman and/or the Corporate Manager are responsible for reviewing the performance of each executive at least once every calendar year with reference to the terms of their employment contract.

Reporting

The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 1.

Principle 2 – Structure the Board to add value

Composition of the Board

The Company will ensure that the Board will be of a size and composition that is conducive to making appropriate decisions and be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole rather than of individual shareholders or interest groups. It will not, however, be so large that effective decision-making is hindered.

Independent directors

The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.

The Company will endeavour to ensure that it has a majority of independent directors at all times, subject to the right of shareholders in general meeting to elect and remove directors.

Chairman

While the Chairman should be a non-executive director who is independent and who should not also be the chief executive officer of the Company, the Company has not formally appointed a Chairman, preferring to rely upon Mr Zukerman as its Executive Director to fulfil this role. Mr Zukerman does not satisfy the Independence Criteria. The Board believes that Mr Zukerman is the most appropriate person for the position of Chairman because of his extensive experience.

Although the Board recognises the importance of the need for the division of responsibilities between the Chairman and the Managing Director, the existing structure, whereby Mr Zukerman carries out the duties of both roles, is considered appropriate to the Company's present circumstances. It provides a unified structure, which the Board believes is important given the Company's present stage of corporate development. Mr Zukerman has been a significant force in the current direction of the Company, and has provided strong and effective leadership to the Board.

The Chairman's other positions should not be such that they are likely to hinder the effective performance of their role of Chairman of the Company.

Independent decision – making

All directors – whether independent or not – should bring an independent judgement to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairman, if he is independent or the deputy Chairman. Non-executive directors should inform the Chairman before accepting any new appointments as directors.

Independent advice

To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

Procedure for selection of new directors

The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors are involved in the search for, and recruitment of a replacement. The Board believes corporate performance is enhanced when the Board has an appropriate mix of skills and experience.

In support of their candidature for directorship or re-election, non-executive directors should provide the Board with details of other commitments and an indication of time available for the Company. Prior to appointment or being submitted for re-election non-executive directors should specifically acknowledge to the Company that they will have sufficient time to meet what is expected of them as a non-executive director. Re-appointment of directors is not automatic.

Induction and education

The Board will implement an induction program to enable new directors to gain an understanding of:

- the Company's financial, strategic, operational and risk management position;
- the rights, duties and responsibilities of the directors;
- the roles and responsibilities of senior executives; and
- the role of any Board committees in operation.

Directors will have reasonable access to technical seminars or equivalent to update and enhance their skills and knowledge, including education concerning key developments in the Company and in the industries in which the Company's business is involved.

Access to information

The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.

Senior executives are required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

Reporting

The Company will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 2.

Principle 3: Promote ethical and responsible decision-making

Code of conduct

The Board has adopted the Code of Conduct set out at Appendix A to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity.

The Board is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.

The Board is responsible for making advisers, consultants and contractors aware of the Company's expectations set out in the Code of Conduct.

Policy for trading in Company securities

The Board has adopted a policy on trading in the Company's securities by directors, senior executives and employees set out in Appendix B.

The Board is responsible for ensuring that the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

Reporting

The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 3.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Management

The Company believes it is not of a size to justify having a separate Audit and Risk Management Committee. Ultimate responsibility for the integrity of the Company's financial reporting rests with the full Board. Given the small size of the Board, the directors believe an Audit Committee structure to be inefficient. All directors share responsibility for ensuring the integrity of the Company's financial reporting and appropriate Board processes must be implemented to perform the following audit and risk management functions:

(1) external audit function:
    (a) review the overall conduct of the external audit process including the independence of all parties to the process;
    (b) review the performance of the external auditors;
    (c) consider the reappointment and proposed fees of the external auditor; and
    (d) where appropriate seek tenders for the audit and where a change of external auditor is recommended arrange submission to shareholders for shareholder approval;

(2) reviewing the quality and accuracy of published financial reports;

(3) reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures;

(4) reviewing and imposing variations to the risk management and internal control policies designed and implemented by Company management; and

(5) any other matters relevant to audit and risk management processes.

Reporting

The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 4.

Principle 5: Make timely and balanced disclosure

Disclosure Policy

The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to shareholders through the ASX set out in Appendix C.

The Disclosure Policy ensures that:

all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and

Company announcements are subjected to a vetting and authorisation process designed to ensure they:

(a) are released in a timely manner;

(b) are factual;

(c) do not omit material information; and

(c) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Reporting

The Company will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 5.

Principle 6: Respect the rights of shareholders

Communication with Shareholders

The Board is committed to open and accessible communication with holders of the Company's shares and other securities. Disclosure of information and other communication will be made as appropriate by mail or email.

The Company's website will also be used to provide additional relevant information to security holders. The Board considers the following to be appropriate features for the Company's website:

(a) placing the full text of notices of meeting and explanatory material on the website;

(b) providing information about the last two years' press releases or announcements plus at least three years of financial data on the website.

General Meetings

The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

Reporting

The Company will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 6.

Principle 7: Recognise and manage risk

Creation and implementation of Company risk management policies

It is the responsibility of the Corporate Manager to create, maintain and implement risk management and internal control policies for the Company, subject to review by the Board.

The Corporate Manager must report to the Board annually regarding the design, implementation and progress of the risk management policies and internal control systems.

Audit and Risk Management

As referenced with respect to Principle 4, the Board has not established an Audit and Risk Management Committee for the reasons given above.

Review by the Board

The Board will review the effectiveness of implementation of the risk management system and internal control system at least annually.

When reviewing risk management policies and internal control system the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

Corporate Manager

The Corporate Manager is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

Verification of financial reports

The chief executive officer and the Chief Financial Officer are required by the Company to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(4) of the Corporations Act:

(a) that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and

(b) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

Reporting

The Company will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 7.

Principle 8: Remunerate fairly and responsibly

Director and senior executive remuneration policies

The Company's remuneration policy is structured for the purpose of:

(a) motivating senior executives to pursue the long-term growth and success of the Company; and

(b) demonstrating a clear relationship between senior executives' performance and remuneration.

The Board's responsibility is to set the level and structure of remuneration for officers (including but not limited to directors and secretaries) and executives, for the purpose of balancing the Company's competing interests of:

(a) attracting and retaining senior executives and directors; and

(b) not paying excessive remuneration.

Executive directors' remuneration should be structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.

Executive directors' and senior executives' remuneration packages should involve a balance between fixed and incentive-based pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

Non-executive directors' remuneration should be formulated with regard to the following guidelines:

(a) non-executive directors should normally be remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, usually without participating in schemes designed for the remuneration of executives;

(b) non-executive directors should not be provided with retirement benefits other than superannuation.

No director may be involved in setting their own remuneration or terms and conditions and in such a case relevant directors are required to be absent from the full Board discussion.

Remuneration Committee

The Company believes it is not of a size to justify having a Remuneration Committee and that it has Board processes in place which raise the issues which would otherwise be considered by a committee.

Reporting

The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 8.

Appendix A – Code of Conduct

Introduction

1 This Code of Conduct sets out the standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, the Company's shareholders and the broader community.

Responsibilities to shareholders

2 The Company aims:

2.1 to increase shareholder value within an appropriate framework which safeguards the rights and interests of shareholders; and

2.2 to comply with systems of control and accountability which the Company has in place as part of its corporate governance.

Responsibilities to clients, employees, suppliers, creditors, customers and consumers

3 The Company will comply with all legislative and common law requirements which affect its business.

Employment practices

4 The Company will employ the best available staff with skills required to carry out the role for which they are employed. The Company will ensure a safe workplace and maintain proper occupational health and safety practices.

Responsibility to the community

5 The Company will recognise, consider and respect environmental, native title and cultural heritage issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

Responsibility to the individual

6 The Company recognises and respects the rights of individuals and will comply with the applicable laws regarding privacy and confidential information.

Obligations relative to fair trading and dealing

7 The Company will deal with others in a way that is fair and will not engage in deceptive practices.

Business courtesies, bribes, facilitation payments, inducements and commissions

8 Corrupt practices are unacceptable to the Company. It is prohibited for the Company or its directors, managers or employees to directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.

Conflicts of interest

9 The Board, management and employees must report any situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company. Where a real or apparent conflict of interest arises, the matter must be brought to the attention of the Chairman in the case of a Board member, the Corporate Manager or Chief Executive Officer (or equivalent) in the case of a member of management and a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner.

Compliance with the Code of Conduct

10 Any breach of compliance with this Code of Conduct is to be reported directly to the Chairman.

Periodic review of Code

11 The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff. Suggestions for improvements or amendments to this Code of Conduct may be made at any time to the Chairman.

Appendix B – Policy for trading in Company securities

Introduction

1 The Company recognises and enforces legal and ethical restrictions on trading in its securities by relevant persons within and external to the Company. The terms of this securities dealing policy apply to the Company's directors, senior executives, employees and consultants **(Relevant Persons).**

Communication

2 This policy will be communicated to all Relevant Persons and will be placed on the Company website.

Trading restrictions

3 Trading by Relevant Persons in the Company's securities is subject to the following limitations:

3.1 No trading in Company securities shall take place during the seven days preceding release of each quarterly report, half-yearly financial report, and annual financial report of the Company.

3.2 No trading in the Company's securities shall take place directly or indirectly where it is known, or ought reasonably to have been known by the person intending to trade, that information exists that has not been released to the ASX and where that information is of a type that reasonably could be expected to encourage buying or selling were that information known by others.

3.3 No trading shall take place in Company securities unless prior notice is given to the Chairman and approval is obtained from him.

Hardship

4 During a period specified in paragraph 3.1, Relevant Persons may, after obtaining the hairman's consent, trade the Company's securities to the extent reasonably necessary to avoid or ameliorate documented hardship and suffering or as required by other extenuating circumstances.

Directors' trading and disclosures

5 Within one day of a director being appointed to the Board, resigning or being removed from the Board, or trading in the Company's securities, full details of the director's notifiable interests in the Company's securities and changes in such interest must be advised in writing to the Company Secretary so that a record is kept within the Company and so that necessary ASX notifications will occur.

6 All directors must notify the Company Secretary of any margin loan or similar funding arrangement entered into in relation to the Company's securities and any variations to such arrangements, including the number of securities involved, the circumstances in which the lender can make margin calls, and the right of the lender to dispose of securities.

Appendix C – Disclosure Policy

Disclosure requirements

1 The Company recognises its duties pursuant to the continuous disclosure rules of the ASX Listing Rules and Corporations Act to keep the market fully informed of information which may have a material affect on the price or value of the Company's securities.

2 Subject to certain exceptions (in ASX Listing Rule 3.1A), the Company is required to immediately release to the market information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Responsibilities of directors, officers and employees

3 The Board as a whole is primarily responsible for ensuring that the Company complies with its disclosure obligations and for deciding what information will be disclosed. Subject to delegation, the Board is also responsible for authorising all ASX announcements and responses of the Company to ASX queries.

4 Every director, officer and employee of the Company is to be informed of the requirements of this policy and must advise the Corporate Manager, Chairman or Company Secretary as soon as possible (and prior to disclosure to anyone else) of matters which they believe may be required to be disclosed.

Authorised Disclosure Officer

5 The Board has delegated its primary responsibilities to communicate with ASX to the following Authorised Disclosure Officer:

5.1 the Company Secretary or

5.2 in the absence of the Company Secretary, a designated Executive Director, who is authorised to act in that capacity by the Board.

Responsibilities of Authorised Disclosure Officer

6 Subject to Board intervention on a particular matter, the Authorised Disclosure Officer is responsible for the following:

6.1 monitoring information required to be disclosed to ASX and coordinating the Company's compliance with its disclosure obligations;

6.2 ASX communication on behalf of the Company, authorising Company announcements and lodging documents with ASX;

6.3 requesting a trading halt in order to prevent or correct a false market;

6.4 providing education on these disclosure policies to the Company's directors, officers and employees; and

6.5 ensuring there are vetting and authorisation processes designed to ensure that Company announcements:

6.5.1 are made in a timely manner;

6.5.2 are factual;

6.5.3 do not omit material information;

6.5.4 are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

7 An Authorised Disclosure Officer must be available to communicate with the ASX at all reasonable times, and is responsible for providing contact details and other information to ASX to ensure such availability.

Measures to avoid a false market

8 In the event that ASX requests information from the Company in order to correct or prevent a false market in the Company's securities, the Company will comply with that request. The extent of information to be provided by the Company will depend on the circumstances of the ASX request.

9 If the Company is unable to give sufficient information to the ASX to correct or prevent a false market, the Company will request a trading halt.

10 If the full Board is available to consider the decision of whether to call a trading halt, only they may authorise it, but otherwise, the Authorised Disclosure Officer may do so.

ASX Announcements

11 Company announcements of price-sensitive information are subjected to the following vetting and authorisation process to ensure their clarity, timely release, factual accuracy and inclusion of all material information:

11.1 The Authorised Disclosure Officer must prepare ASX announcements when required to fulfil the Company's disclosure obligations.

11.2 Proposed announcements must be approved by the Chairman or in his absence, urgent announcements may be approved by such other person expressly authorised by the Board.

11.3 Announcements must first be released to the ASX Announcements Platform before being disclosed to any other private or public party (such as the media). After release of the announcement, it must be displayed on the Company's website, following which the Company can then release such information to media and other information outlets.

11.4 Wherever practical, all announcements must be provided to the directors, Corporate Manager and Company Secretary prior to release to the market for approval and comment.

Confidentiality and unauthorised disclosure

12 The Company must safeguard the confidentiality of information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. If such information is inadvertently disclosed, the Authorised Disclosure Officer must be informed of the same and must refer it to the Chairman and Corporate Manager as soon as possible.

External communications and Media Relations

13 The Chairman, Company Secretary and such other person approved by the Board are authorised to communicate on behalf of the Company with the media, government and regulatory authorities, stock brokers, analysts and other interested parties or the public at large. No other person may do so unless specifically authorised by the Chairman, Company Secretary or such other approved person.

14 All requests for information from the Company must be referred to the Authorised Disclosure Officer who will provide them to the Chairman, Company Secretary or Corporate Manager.

Breach of disclosure policy

15 Serious breaches of this disclosure policy may be treated with disciplinary action, including dismissal, at the discretion of the Board.

16 Where the breach is alleged against a member of the Board, that director will be excluded from the Board's consideration of the breach and any disciplinary action for the Company to take.

Board Structure

Name of Director	Year Appointed	Executive	Non-Executive	Independent	Seeking re-election at 2009 AGM
A Clemen – Director	1999	NO	YES	YES	NO
J Downes – Director	2007	NO	YES	YES	NO
M Scivolo – Director	2006	NO	YES	YES	NO
D Zukerman – Director	2003	YES	NO	NO	YES

Shareholder Information

1. DISTRIBUTION OF SHAREHOLDERS

As at 25 September 2009 the distribution of members and their shareholdings were:-

Range of Holding			Holders	Shares Held	Percent
1	–	1,000	240	95,749	0.13
1,001	–	5,000	245	667,891	0.90
5,001	–	10,000	76	636,037	0.85
10,001	–	100,000	132	5,971,936	8.02
100,001	and over		57	67,063,238	90.10
			750	**74,434,851**	**100.00**

(b) There exist 490 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,	27,036,020	36.32%
Kalgoorlie Mine Management Pty Ltd together with group member James John del Piano		

The twenty largest shareholders as at 25 September 2009, representing 78.98% 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)	5,236,193	7.03
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
Kalgoorlie Mine Management Pty Ltd	1,940,000	2.61
Cangu Pty Ltd	1,920,000	2.58
Coniston Pty Ltd	1,500,000	2.02
UBS Wealth Management Australia Nominees Pty Ltd	1,105,000	1.48
James John del Piano	906,020	1.22
Queensway Investments Pty Ltd	800,000	1.07
Pio Services Ltd	740,000	0.99
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
Icerig Nominees Pty Ltd	546,000	0.73
Mervyn & Shirley Bassett (Y-Z Superannuation Fund)	500,000	0.67
	58,787,013	**78.98**

As at 25 September 2009 the distribution of optionholders for options with an exercise price of 35 cents, and which expire on 27 January 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	1.69
10,001 – 100,000	37	1,758,000	12.56
100,001 and over	19	12,002,000	85.72
	81	**14,000,000**	**100.00**

There exist 36 optionholders with an unmarketable parcel of options.

The twenty largest optionholders in this class, as at 25 September 2009, which represents 86.44% 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)	295,000	2.11
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
	12,102,000	**86.44**

In addition to the above, three classes of unlisted options have been granted:

(i) 23,000,000 options exercisable at 10 cents each on or before 31 December 2012,

(ii) 250,000 options exercisable at 30 cents each on or before 1 November 2010,

(ii) 250,000 options exercisable at 40 cents each on or before 1 November 2010.