

**SABRE RESOURCES LTD
AND CONTROLLED ENTITIES**

(ACN 008 982 474)

***Interim Financial Report
for the Six Month Period Ended
31 December 2012***

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DIRECTORS' REPORT

Your Directors present their report on consolidated group of Sabre Resources Ltd and controlled entities (the "Group") for the half year ended 31 December 2012.

1. DIRECTORS

The names of Directors in office during the half year and up to the date of this report:

Alex Clemen (died July 2012)
Jonathan Downes
Michael Scivolo
David Zukerman

2. REVIEW OF OPERATIONS

Financial Result

The Group incurred a loss after income tax of \$344,129 for the half year period (2011: Loss of \$415,637). As at 31 December 2012 the Group had cash funds of \$8,127,030 (30 June 2012 \$420,355).

3. EXPLORATION ACTIVITIES

Otavi Mountain Land copper and base metal project, Namibia

Sabre's focus is the exploration and development of the Otavi Mountain Land (OML) copper and base metal project in northern Namibia. The project is located in the world-class Otavi Mountain Land metallogenic province, historically a globally important source of copper, lead, zinc and vanadium. The province is presently undergoing a renaissance with the work of Sabre and others in the region.

The OML has a long mining history dating back to the late 1800s and consequently has excellent infrastructure, including roads, rail to port, power, water and the Tsumeb base metal smelter complex, one of only five operating copper smelters in Africa. The province, historically a globally important source of copper, lead, zinc and vanadium, is presently undergoing a renaissance due to exploration by Sabre in the region.

a) Guchab Copper Mining Centre on the Kombat Copper Trend

Sabre acquired the Otavi Valley tenement in mid-2012, which covers much of the Kombat Copper Trend, a regional-scale copper-bearing fault structure more than 50 kilometres long. The Kombat Copper Trend hosts a number of mines and prospects, including the Kombat Copper Mine (excised from Sabre's licence and held by TSX.V listed Kombat Copper) and is the current focus of Sabre's exploration programme at the Guchab Mining Centre.

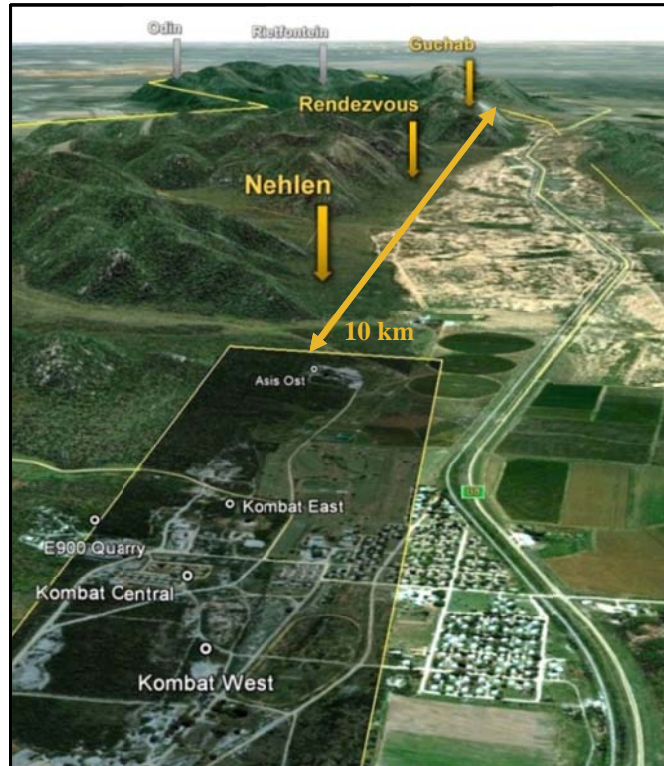


Figure 1 – Oblique view east from the Kombat copper mine (foreground, excised area shaded) along strike to Sabre's series of copper targets (yellow) at Nehlen and Rendezvous in the Kombat Ost copper target area, and Guchab in the Guchab mining centre - the licence boundary is shown in yellow.

The Guchab Mining Centre is a series of historic copper mines 10 kilometres east of the Kombat mine which was mined in the early 20th century. Metamorphic copper mineralisation has formed vein and breccia style deposits over more than 4 km of strike, with soil anomalies in excess of 10,000 ppm or 1% copper.

Sabre initiated a programme of reconnaissance drilling at Guchab to test the extent of mineralisation at various mine works at Guchab. A man-portable diamond drill rig is required at Guchab due to the severity of the terrain. A series of highly promising thick, high-grade copper intercepts were announced during the latter half of 2012, including:

- **GCDD0001** 107.75 m @ 1.15% Copper & 6.93 gpt Silver from 0.60 metres
including 2.35 m @ 13.24% Copper & 70.84 gpt Silver from 17.90 metres
 8.95 m @ 3.03% Copper & 8.18 gpt Silver from 36.05 metres
- **GCDD0002** 26.56 m @ 1.06% Copper & 6.25 gpt Silver from 1.42 metres
including 4.57 m @ 2.18% Copper & 21.44 gpt Silver from 8.19 metres
- **GCDD0003** 18.90 m @ 1.54% Copper & 9.66 gpt Silver from 1.00 metre
including 7.00 m @ 2.52% Copper & 10.12 gpt Silver from 1.00 metre
- **GCDD0004** 24.05 m @ 1.29% Copper & 10.91 gpt Silver from surface
including 1.00 m @ 8.55% Copper & 38.38 gpt Silver from 23.05 metres
- **GCDD0005** 22.20 m @ 3.45% Copper & 29.67 gpt Silver from surface
including 2.15 m @ 17.60% Copper & 247.7 gpt Silver from 20.05 metres
- **GCDD0006** 14.10 m @ 1.31% Copper & 10.50 gpt Silver from 0.90 metres
including 2.65 m @ 5.10% Copper & 50.94 gpt Silver from 7.00 metres
- **GCDD0007** 8.37 m @ 0.54% Copper & 7.43 gpt Silver from 5.48 metres

including 1.19 m @ 1.41% Copper & 25.40 gpt Silver from 5.48 metres

- **GCDD0011 18.85 m @ 1.06% Copper & 15.05 gpt Silver from 42.22 metres**
including 3.63 m @ 4.08% Copper & 61.92 gpt Silver from 57.44 metres

Drilling shows that the mineralisation is hosted by a copper-rich tectonic breccia. Analysis of the drill core indicates that most mineralised structures (being veins & breccia zones) have an east-west, sub vertical, orientation. This indicates that the drilling direction at Pad One was perpendicular to the mineralisation.

In December 2012 a programme of surface and downhole EM (electromagnetic) surveys was completed across the Guchab area. Results from the survey are due to be returned shortly.

b) Kaskara copper-vanadium-lead-zinc on the Lucas Post Trend

The Lucas Post Trend is a 'provincial-scale' structure covering more than twenty five kilometres of strike within Sabre's project area. The trend is highlighted by strong copper anomalism in soil geochemistry and hosts the Kaskara copper-vanadium-lead-zinc prospect.

The target at Kaskara is a copper-lead-zinc sulphide orebody at depth, overlain and supplemented by significant non-sulphide V-Pb-Zn-Cu oxide mineralisation at and near surface. The drill holes reported to date have been on the lower slopes of the hill at Kaskara, on the margins of the mineralised system. The results show that we have successfully intercepted the fringes of a broad mineralised system at Kaskara. Significant intercepts within these mineralised zones include:

- **KKRC0019 8.00 m @ 2.15% Pb, 0.91% V₂O₅ & 0.24% Cu from 12.00 m**
including 3.00 m @ 5.16% Pb, 2.21% V₂O₅ & 0.59% Cu from 12.00 m
- **KKRC0020 6.00 m @ 1.17% Pb, 0.47% V₂O₅ & 0.18% Cu from Surface**
and 2.00 m @ 1.32% Pb, 0.29% V₂O₅ & 0.11% Cu from 119.00 m

The Company is awaiting results for a large number of samples due to a backlog at the laboratory in Namibia. These results are expected to become available shortly.

Preliminary test work has commenced on the near surface, high-grade oxide mineralisation from Kaskara (Figure 8). Four bulk samples, totalling over 100 kg, were collected from the underground workings at Kaskara. Preliminary test work was undertaken on one of the samples on site, with a sub-sample being screened and subjected to simple gravity separation.

This initial test work shows that the mineralogy of the samples consists of two separate mineral species:

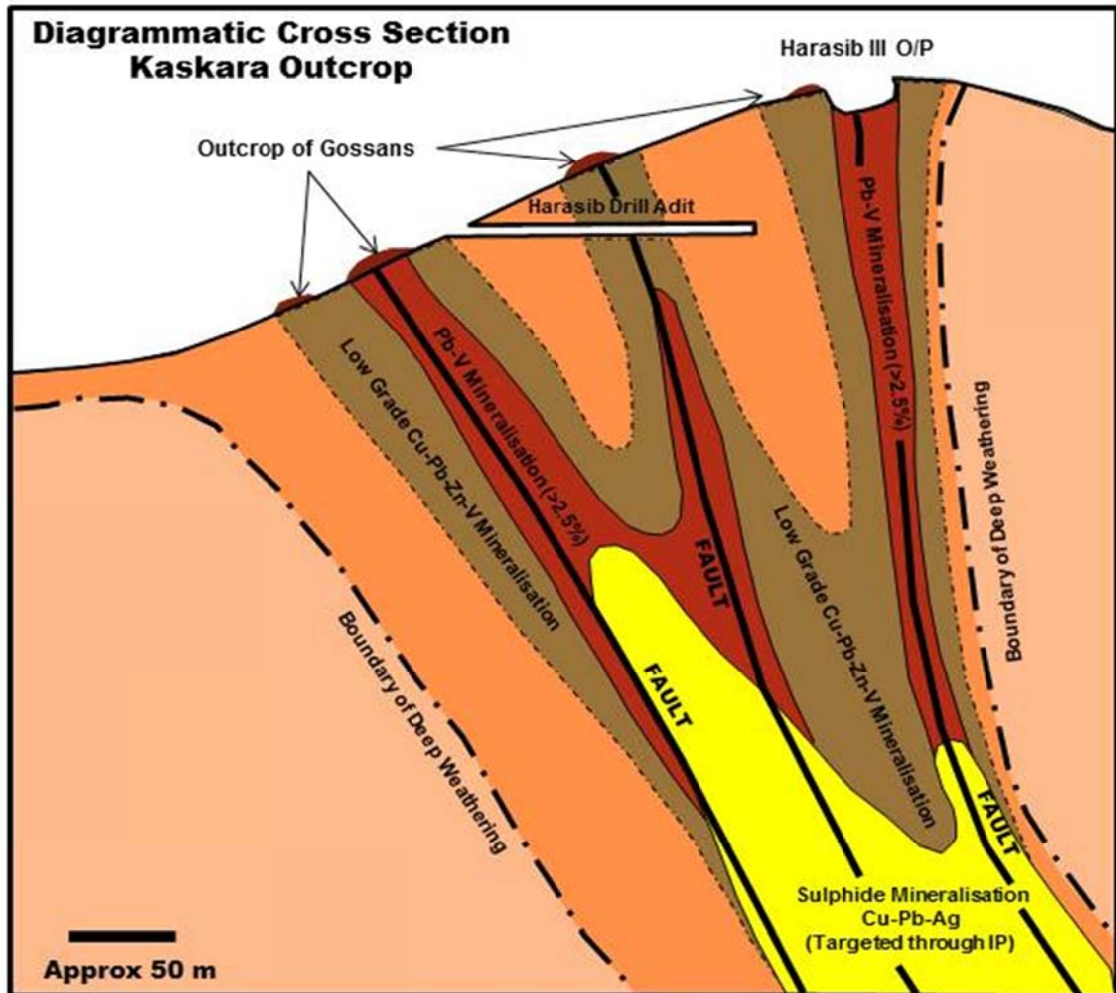
- **Descloizite (Pb-V-Cu),**
- **Hematite (Fe).**

There is the potential for the deposit to produce a high-grade descloizite (Pb-V-Cu) concentrate product, as well as small volumes of a high-grade hematite (>60% Fe) by-product – the volumes and economic viability of these products has yet to be assessed.

Kaskara shows a number of features characteristic of the major deposits of the region, such as Tsumeb, including the following:

- Outcropping, locally high-grade mineralisation;
- Outcropping disseminated sulphide mineralisation;
- A broad, strong soil geochemical anomaly;

- Location on a deviation in a major fault system;
- Geophysical anomalies at depth);
- Deep penetrative weathering in a region of otherwise shallow weathering; and
- Secondary copper-lead-zinc vanadate minerals indicative of primary copper-lead-zinc sulphide mineralisation at depth.



• Figure 2 – A conceptual diagrammatic cross-section of the Kaskara deposit showing mineralisation styles and deeper IP target

c) Driehoek zinc-lead-silver on the Hoek Trend

The Hoek Trend covers over 20 kilometres of strike, from the Driehoek deposits in the west through to Hoba Ost in the east. Exploration is still at an early stage on this trend; however previous works have outlined a number of substantial zinc-lead deposits at Driehoek.

A programme of resource drilling was completed at Driehoek Central in the previous quarter, with additional resource drilling completed at Driehoek East earlier in the year. Sabre’s maiden inferred JORC mineral resource estimate for the Driehoek Central & East deposits is as follows

- Driehoek Central – 1,210,000 tonnes @ 2.38% Zn+Pb & 2.32 gpt Ag
- Driehoek East – 447,000 tonnes @ 4.42% Zn+Pb & 5.39 gpt Ag

The Driehoek deposits are modified Mississippi Valley-Type (MVT) deposits that consist of galena (lead) and sphalerite (zinc) mineralisation within dolomitic host rocks. No pyrite or any other sulphides are present in significant quantities, and weathering is almost non-existent.

The inferred JORC resource at Driehoek Central is largely flat lying, covers approximately 360 metres of strike, and is up to 130 metres wide and 30 metres thick. The grade of the deposit was interpolated with Ordinary Kriging within a wireframe model, utilising a 0.5% Pb+Zn cut-off with a maximum internal dilution of 2.5 metres and an SG of 2.74.

The inferred JORC resource at Driehoek East is hosted by a roughly elongate 'breccia pipe' approximately 95 metres in strike length, is up to 55 metres wide and 80 metres thick. The grade of the deposit was interpolated utilising Inverse Distance Squared (ID2) within a wireframe model, with a 0.5% Pb+Zn cut-off, a maximum internal dilution of 2.5 metres and an SG of 2.83.

Resource estimation is now complete on two of the three recognized deposits at Driehoek. Resource drilling at Driehoek North is yet to be completed, however the exploration target for the deposit is:

2-3 Million Tonnes @ 2-5% Zn+Pb & 1-4 gpt Ag*

** The potential quantity and grade of the Driehoek North 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 Goldfields Namibia Ltd.*

d) Other work

Our regional assessment of the prospects of the Otavi Mountain Land Project continues with several sites investigated during the latter half of 2012. The Company is presently focusing on the Kombat Copper Trend, particularly in the 10km between the Kombat copper mine and Sabre's Guchab Copper Mining Centre.

e) Conclusion

Sabre has positioned itself to accelerate exploration efforts into 2013. With new drilling contractors and the purchase of a Company drill rig, Sabre will be able to fully assess Guchab and Kaskara with the potential to expand to the other copper prospects of the Kombat Copper Trend. Sabre looks forward to updating shareholders as the exploration programme in the Otavi Mountain Land continues, in particular as the results of the diamond drilling from Guchab and Kaskara are received.

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter of Sabre Resources Ltd, who is a member of The Australian Institute of Geoscientists. Dr Painter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Dr Painter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Sabre Resources Ltd's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Sabre Resources Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements

4. EVENTS SUBSEQUENT TO THE REPORTING DATE

The Company announced to the market on the 8 March 2013 that it had issued 3,750,000 unlisted options, exercisable at 20 cents each, at any time on or before 5 March 2015.

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

5. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on Page 7.

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



**David Zukerman
Director**

Perth, 13 March 2013

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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 review of Sabre Resources Ltd for the half-year ended 31 December 2012, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J W Vibert
Partner - Audit & Assurance

Perth, 13 March 2013

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED
31 DECEMBER 2012**

	Consolidated Half year 2012 \$	Consolidated Half year 2011 \$
Other Revenue		
Interest earned	133,687	39,781
Cost recovery	448,765	68,797
Insurance refunds	21,338	-
Change in fair value of investments	4,000	(10,667)
	<u>607,790</u>	<u>97,911</u>
Expenditure		
Depreciation	28,132	31,436
Key management personnel remuneration	163,493	257,976
Management fees	124,748	121,284
Occupancy costs	98,605	55,200
Other operating costs	575,603	116,958
	<u>990,581</u>	<u>582,854</u>
(Loss) before income tax	(382,791)	(484,943)
Income tax benefit	38,662	69,306
	<u>38,662</u>	<u>69,306</u>
(Loss) for the half year	(344,129)	(415,637)
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign controlled entities	(258,466)	(549,900)
	<u>(258,466)</u>	<u>(549,900)</u>
Total comprehensive (loss) for the half year	<u>(602,595)</u>	<u>(965,537)</u>
Basic and diluted profit/(loss) per share (*cents)	(0.16)	(0.36)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT
31 DECEMBER 2012

	Consolidated	
	31 December 2012	30 June 2012
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	8,127,030	420,355
Trade and other receivables	220,042	58,192
TOTAL CURRENT ASSETS	8,347,072	478,547
NON CURRENT ASSETS		
Financial assets	17,333	13,333
Plant and equipment	64,147	95,448
Exploration and evaluation expenditure	21,190,966	20,236,748
TOTAL NON-CURRENT ASSETS	21,272,446	20,345,529
TOTAL ASSETS	29,619,518	20,824,076
CURRENT LIABILITIES		
Trade and other payables	109,460	491,068
Short term loans	-	46,553
Provisions	21,260	14,771
TOTAL CURRENT LIABILITIES	130,720	552,392
TOTAL LIABILITIES	130,720	552,392
NET ASSETS	29,488,798	20,271,684
EQUITY		
Issued capital	51,936,045	41,463,620
Share option reserve	-	652,716
Foreign currency translation reserve	(1,172,654)	(914,188)
Accumulated losses	(21,274,593)	(20,930,464)
TOTAL EQUITY	29,488,798	20,271,684

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED**

31 DECEMBER 2012

	Ordinary Issued Capital	Share Option Reserve	Foreign Currency Translation Reserve	(Accumulated Losses)	Total
	\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2011	34,561,808	652,716	(317,986)	(19,932,519)	14,964,019
16,500,000 shares issued during the period	1,938,750	-	-	-	1,938,750
Share issue costs	(96,938)				(96,938)
Loss attributable for the period	-	-	-	(415,637)	(415,637)
Total other comprehensive income/(loss) for the period	-	-	(549,900)	-	(549,900)
BALANCE AT 31 DECEMBER 2011	36,403,620	652,716	(867,886)	(20,348,156)	15,840,294
	Ordinary Issued Capital	Share Option Reserve	Foreign Currency Translation Reserve	(Accumulated Losses)	Total
	\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2012	41,463,620	652,716	(914,188)	(20,930,464)	20,271,684
10,000,000 shares issued on exercise of options	2,300,000	-	-	-	2,300,000
Transfer on exercise	652,716	(652,716)			-
30,769,231 shares issued during the period	8,000,000	-	-	-	8,000,000
Share issue costs	(480,291)	-	-	-	(480,291)
Loss attributable for the period	-	-	-	(344,129)	(344,129)
Total other comprehensive income/(loss) for the period	-	-	(258,466)	-	(258,466)
BALANCE AT 31 DECEMBER 2012	51,936,045	-	(1,172,654)	(21,274,593)	29,488,798

The accompanying notes form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED
31 DECEMBER 2012**

	Consolidated	
	Half year 2012	Half year 2011
	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(1,735,874)	(592,372)
Interest received	133,687	51,607
Other income	508,765	138,103
<i>Net cash (used in) operating activities</i>	(1,093,422)	(402,662)
Cash Flows From Investing Activities		
Purchase of fixed assets	(20,927)	-
Payment for exploration expenditure	(954,217)	(1,471,122)
Proceeds on disposal of fixed assets	-	8,635
<i>Net cash (used in) investing activities</i>	(974,514)	(1,462,487)
Cash Flows from Financing Activities		
Proceeds of share issue	8,000,000	1,938,750
Share issue costs	(480,291)	(96,938)
Proceeds from exercise of options	2,300,000	-
Short term loans	(46,553)	-
<i>Net cash provided by financing activities</i>	9,773,156	1,841,812
Net increase/(decrease) in Cash and Cash Equivalents	7,705,220	(23,337)
Cash and Cash Equivalents at the Beginning of the Half Year	420,355	1,920,788
Effect of exchange rates on cash holdings in foreign currencies	1,455	9,026
Cash and Cash Equivalents at the End of Half Year	8,127,030	1,906,477

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2012**

1. BASIS OF PREPARATION OF HALF YEAR REPORT

Sabre Resources Ltd is a company domiciled in Australia.

This general purpose financial report for the interim half year reporting period ended 31 December 2012 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Sabre Resources Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2012 together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Accounting Standards not previously applied

New or revised Standards and Interpretations that are first effective in the current reporting period:

The Group has adopted the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.

Adoption of new and revised accounting standards

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application date for future reporting periods. In the half year ended 31 December 2012, the Company has reviewed all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2012. It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and there no change is necessary to the Company accounting policies.

2. DIVIDENDS

No dividends have been paid or proposed during the six month period ended 31 December 2012.

3. CAPITAL AND LEASING COMMITMENTS AND CONTINGENCIES

There has been no material change in contingent liabilities and commitments since the end of the last annual reporting period.

4. INVESTMENT

	December 2012	June 2012
	\$	\$
Investment in listed shares	17,333	13,333

The Company holds shares in a listed entity and these shares are classified as financial assets at fair value through profit and loss. Changes in fair value are included in the statement of comprehensive income.

5. OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal management reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and determining the allocation of resources. As the Group is focused on mineral exploration, the Board monitors the Group based on actual exploration expenditure incurred by area of interest. The internal reporting framework is the most relevant to assist the executive management team with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

The executive management team has aggregated the performance of all segments as they maintain similar economic characteristics including the development and exploration of the Group's mineral interests in Namibia.

Basis of Accounting for purposes of reporting by operating segments

Accounting Policies Adopted

All amounts reported to the Board of Directors with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Unallocated items

Corporate costs are not considered core operations of any segment.

6. ISSUED CAPITAL

	Details	Number of Shares	Amount \$
1 July 2011	Balance	110,202,997	34,561,808
17 November 2011	Shares issued	16,500,000	1,938,750
	Share issue costs	-	(96,938)
	Shares issued on acquisition of Namibian tenements	5,060,000	-
31 December 2011	Balance	126,702,997	41,463,620
30 June 2012	Balance	172,702,997	41,463,620
	Shares issued on exercise of options	23,000,000	2,300,000
	Transfer of options exercised	-	652,716
	Shares issued	30,769,231	8,000,000
	Share issue costs	-	(480,291)
31 December 2012	Balance	226,472,228	51,936,045

The Company's capital consists of Ordinary Shares. The Company do not have a limited amount of authorised share capital. The Shares have no par value and are entitled to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of Shares held.

At shareholders' meetings each fully paid ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

7. SHARE OPTION RESERVE

Date	Details	Number of Options	Amount \$
1 July 2011	Balance	31,350,000	652,716
30 November 2011	Expired	(8,350,000)	-
31 December 2011	Balance	23,000,000	652,716
1 July 2012	Balance	23,000,000	652,716
29 August 2012	Exercised	23,000,000	(652,716)
31 December 2012	Balance	-	-

8. RELATED PARTY TRANSACTIONS

The Group's related parties include its subsidiaries, key management personnel and others as described below. None of the transactions incorporate special items and conditions and no guarantees were received or given.

Related Party	Relationship	Nature of Transaction	Half Year Ended 31 December 2012 \$	Half Year Ended 31 December 2011 \$
Sabre Resources Namibia (Pty) Ltd	Subsidiary	Advances	640,000	1,325,437
Gazania Investments Nine (Pty) Ltd	Subsidiary	Advances	481,000	0
Metals Australia Ltd	Common Directors	Other Income	10,583	0
Golden Deeps Limited	Common Directors	Other Income	42,297	163,911
Clemen & Associates Pty Ltd	Associated with former director Alex Clemen	Payments to Directors	4,850	45,000
Kalgoorlie Mine Management Pty Ltd	Management Company	Management fees and occupancy costs	221,353	176,484

9. EVENTS SUBSEQUENT TO REPORTING DATE

The Company announced to the market on the 8 March 2013 that it had issued 3,750,000 unlisted options, exercisable at 20 cents each, at any time on or before 5 March 2015.

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

DIRECTORS' DECLARATION

The directors of the Company declare that:

- (a) The financial statements and notes, as set out on the accompanying pages, are in accordance with the Corporations Act 2001 including:
 - (i) complying with Australian Accounting Standard, AASB 134: Interim Financial Reporting; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and
- (b) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



David Zukerman
Director

Perth, dated this thirteenth day of March 2013

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

We have reviewed the accompanying half-year financial report of Sabre Resources Ltd (“Company”) and its controlled entities, which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year..

Directors’ responsibility for the half-year financial report

The directors of Sabre Resources Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Sabre Resources Ltd consolidated entity’s financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Sabre Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sabre Resources Ltd is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J W Vibert
Partner - Audit & Assurance

Perth, 13 March 2013