

**ASX ANNOUNCEMENT**

**19 JUNE 2008**

**PRE-FEASIBILITY COMMENCES FOR THE ZARA GOLD PROJECT, ERITREA**

**Zara Joint Venture, Eritrea (Dragon Mining Limited - 20% interest)**

**Koka Gold Deposit**

Dragon Mining Limited, in conjunction with Sub-Sahara Resources NL ("Sub-Sahara") is pleased to announce that work has resumed at the Zara Gold Project in Eritrea. The current activities are planned to push the +1 million ounce Koka Gold discovery towards development with a scoping/pre-feasibility study planned for completion by October 2008.

Work currently under way and planned for the study includes:

- Metallurgical drilling
- Geotechnical drilling
- Structural drilling
- Water search and drilling
- Topographic data collection
- Environmental Base Line Study

Further details are outlined in the Sub-Sahara announcement which is attached.

The Zara Joint Venture comprises a single license covering an area of 196km<sup>2</sup> situated in northern Eritrea, approximately 160km northwest of Asmara city. The project is managed by Sub-Sahara and Dragon Mining has a 20% interest and is free carried through to completion of a bankable feasibility study.

For and on behalf of  
**Dragon Mining Limited**

**Peter G Cordin**  
Managing Director



# Sub-Sahara Resources NL

19<sup>th</sup> June 2008

## ASX Announcement

### October target for Zara Project Pre-feasibility

Australian gold explorer Sub-Sahara Resources (**ASX:SBS**) advises that work has resumed at the Zara Gold Project in Eritrea. The current activities are planned to push the **+1moz** Koka Gold discovery towards development with a Scoping/Pre-feasibility study planned for completion by October 2008.

#### Work currently under way and planned for the study includes:

- **metallurgical drilling**
- **Geotechnical drilling**
- **Structural drilling**
- **Water search and drilling**
- **Topographic data collection**
- **Environmental Base Line Study**

The Company has engaged Coffey Mining Pty Ltd as advisors for the study and the Company is currently seeking the services of a qualified Project Manager to take the project to development.

#### The Zara Gold Project Summary

Over the past two years the Zara Exploration Joint Venture have progressed the Project to the following position:

- Resources
  - Independent JORC compliant resource completed by Coffey Mining Pty Ltd in February 2008. Resources currently stand at:

**Table 1: Koka Gold Deposit – reported above a cutoff of 1.5g/t Gold.**

<b>Category</b>	<b>Lower Cutoff Grade (g/t)</b>	<b>Tonnes (Mt)</b>	<b>Gold g/t</b>	<b>Metal (Koz)</b>
<b>Indicated</b>	<b>1.5</b>	<b>4.27</b>	<b>6.31</b>	<b>866</b>
<b>Inferred</b>	<b>1.5</b>	<b>0.86</b>	<b>6.33</b>	<b>174</b>
<b>TOTAL</b>	<b>1.5</b>	<b>5.13</b>	<b>6.31</b>	<b>1,040</b>

# From Coffey Report dated 15th February for the Koka Insitu Mineral Resource reported above a nominal 1.5 g/t Au lower cutoff grade. MIK derived SMU model estimates using a nominal 5mE x 10mN x 5mRL SMU dimension to emulate assumed open pit mining selectivity. Bulk density of 2.73t/m<sup>3</sup> has been applied to mineralised zones. Gold grade tonnage distributions are subdivided by JORC resource categories. Depletion is to the current natural surface, with no mining assumed to-date. The reported resource is otherwise unconstrained but limited by depth of drilling and model extents.

- Preliminary Metallurgical Results (2007)
  - Very high gold recovered by gravity concentration
  - Total gold recovery exceeds 96% after 24 hours gravity/cyanidation
  - Low reagent consumption
- Hydrological
  - Initial water search discovered sufficient potable water to accommodate diamond drilling and camp self-sufficiency. The expanded water search will tap into the untested major river system (Zara River) situated approximately 8km west of the Koka deposit.
- Topographic
  - A Digital Surface survey with over 80,000 data points over the Koka discovery footprint has been completed and extended westwards to include the Zara Camp area and towards the main Zara River. Data points have been collected giving a vertical accuracy of 2 metres.
- Environmental
  - Environmental base line data collection commenced in August 2007 and is expected to be completed by the end of 2008. A preliminary assessment will be available for the Scoping/Pre-feasibility study due out in October 2008.
- Social Impact
  - Sub-Sahara has managed to maintain a strong local work force of highly skilled well trained Eritrean professionals with ample local labour with only two permanent expatriate personnel stationed in the country.

Managing Director Mike Griffiths said: “The Koka Gold deposit has all the right ingredients to be a successful project. We have a high grade gold deposit that we already know it extends a further 160 metres to the south and mineralisation is still open at depth.”

“All the other elements such as metallurgy, water and environment all seem to be returning favourable outcomes and we see no technical impediments to developing the project.”

“With the gold price remaining steady, this substantially enhances the Zara Project, not merely for Sub-Sahara and its shareholders, but for the emerging Eritrean mining industry.

The Zara Joint Venture comprises four contiguous licenses covering an area of 196km<sup>2</sup> situated in northern Eritrea, approximately 160km northwest of Asmara city (Figure 1). Sub-Sahara has earned a 69% interest in the project.

**For and on behalf of  
Sub-Sahara Resources NL**

**M.R. Griffiths  
Managing Director**

Website: [www.subsahara.com.au](http://www.subsahara.com.au)

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## About Sub-Sahara

Sub-Sahara Resources is an ASX listed company (ASX: SBS) with interests in a number of highly prospective and rapidly expanding African projects, including the Zara joint venture in Eritrea and Nyanzaga joint venture with Barrick Gold, and the Nyakufuru and Kahama joint ventures with Resolute Mining (all in Tanzania).

## About Zara Exploration Joint

On application for a mining license, the Eritrean Government is entitled to a 10% free carried interest. Furthermore, the Government has the right, by agreement, to purchase a further 30% equity participation interest in any mining project and up to a 5% royalty on mined precious metals.

## Competent person statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr M R Griffiths, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Griffiths is a full-time employee of Sub-Sahara Resources NL. Mr Griffiths has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Griffiths consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 1: Zara Gold Project location

