



Sub-Sahara Resources NL

Friday, 1st May 2009

ASX Announcement

Zara Gold Project Eritrea - Koka Gold Deposit Resource Up-date

Koka Resource Highlights:

- The revised resource estimate outlines 5.04 million tonnes at an average grade of 5.8g/t Au for 944,000 ounces of gold from at a cut-off of 1.2 g/t.
- “Indicated” resource ounces have remained relatively constant (889,000ozs Feb08, 867,000ozs May09) while “Inferred” resource ounces have fallen by 102,000ozs (cut-off of 1.2 g/t Au).
- Global grade has fallen from 6.3g/t to 5.8g/t.
- Resource remains robust with mineralisation still open at depth and to the south, with a number of additional high priority targets still to be tested.

Sub-Sahara Resources (ASX: SBS) commissioned Coffey Mining Pty Ltd (Coffey) to provide a revised resource estimate for the Koka Gold deposit that forms part of the Zara Gold Project in Eritrea (Figure 1) as part of the documentation for the proposed merger with Chalice Gold Mines Limited.

The Mineral Resource Estimate of the Koka gold deposit is based on drilling completed by Sub-Sahara up to September, 2008.

The independent resource estimate and report was prepared by Coffey Mining Pty Ltd (Coffey) in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code; 2004). Mineralised zones are defined using geological and assay data. Multiple Indicator Kriging (MIK) was used as the estimation method. The Mineral Resource Statement as of 1 May 2009 for in-situ Koka gold mineralisation is tabulated in Table 1.

Table 1: Koka Gold Deposit – reported above a cut-off of 1.2g/t Gold.

Category	Lower Cut-off Grade (g/t)	Tonnes (Mt)	Gold g/t	Metal (oz)
Indicated	1.2	4.55	5.9	867,000
Inferred	1.2	0.49	4.9	77,000
TOTAL	1.2	5.04	5.8	944,000

- # Koka Insitu Mineral Resource reported above a 1.2 g/t Au lower cut-off grade.
- MIK derived Selective Mining Unit (SMU) model estimates using a nominal 5mE x 10mN x 5mRL SMU dimension to emulate assumed open pit mining selectivity.
- Bulk density of 2.74t/m³ 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 limited by depth of drilling and model extents.

Coffey Mining Pty Ltd is a Perth based, independent international consulting company specialising in the areas of geotechnical engineering, hydrogeology, hydrology, tailings disposal, environmental science and social and physical infrastructure. Coffey was commissioned exclusively by Sub-Sahara to prepare the independent resource estimate in accordance with the JORC Code.

The Coffey estimate is based on a geological interpretation from 114 diamond drill holes, 2,310 bulk density measurements, and 11,704 drill samples. Core recovery averaged 95%. Based on statistical analysis, a high grade cut of 60g/t Au has been applied to 3 metre down hole composites.

Coffey have reduced the upper cut from 100g/t gold to 60g/t gold based on statistical parameters and have also advised that the optimum lower grade cut-off grade is 1.2g/t compared to 1.5g/t used in the previous estimate. Both these factors come as a result of additional data resulting from the in-fill drilling.

Michael Griffiths, Sub-Sahara CEO said this result was in-line with expectations.

“Despite the drop in global grade from 6.3g/t to 5.8g/t, the deposit still represents a very robust resource and the fact that the “Indicated” resource has essentially returned the same contained ounces demonstrates clear consistency in the primary part of the orebody”.

For and on behalf of
Sub-Sahara Resources NL

M.R. Griffiths
Managing Director

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Competent Person

The information in this statement that relates to the Mineral Resource is based on information compiled by Brian Wolfe, who is a Member of The Australasian Institute of Mining and Metallurgy. Brian Wolfe is an employee of Coffey Mining Ltd. Brian Wolfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and for the activity which he has undertaken 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 – The JORC Code”. Brian Wolfe consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

About the Zara Gold Project

The Zara Joint Venture comprises Exploration 4 licenses covering an area of 147km² with a further 468km² of applications situated in northern Eritrea, approximately 160km northwest of Asmara city (Figure 1).

Sub-Sahara hold a 69% interest in the project and on application for a mining license, the Eritrean Government is entitled to a 10% free carried interest. The Government also has the right, by agreement, to a 30% equity participation interest in any mining project and up to a 5% royalty on mined precious metals.

About Sub-Sahara

Sub-Sahara Resources recently announced a proposed merger with Chalice Gold Mines Limited (ASX:CHN) whereby (subject to shareholder and court approval) Sub-Sahara shareholders will receive **1 Chalice Share** for every **10.73 Sub-Sahara Shares** and will hold approximately 39% of the merged company.

Figure 1 – Zara Gold Project – Eritrea

