

ASX ANNOUNCEMENT

27 MAY 2009

ZARA GOLD PROJECT ERITREA – LICENSE EXTENSION

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

Dragon Mining Limited, in conjunction with Sub-Sahara Resources NL, announces that the 4 exploration licenses covering the Zara Gold Project have been extended by the Government of Eritrea for a further 12 months. Further details are outlined in the Sub-Sahara announcement which is attached.

The extension requires Sub-Sahara to complete a pre-feasibility study by the end of October 2009 and a full feasibility study by 25 May 2010.

The Zara Joint Venture comprises four exploration licences covering an area of 147km² 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

Wednesday, 27th May 2009

ASX Announcement

Zara Gold Project Eritrea – License Extension

Sub-Sahara Resources (Sub-Sahara) (ASX: SBS) is pleased to advise that the 4 exploration licenses covering the Zara Gold Project have been extended by the Government of Eritrea for a further 12 months and this extension has satisfied one of the key pre-conditions of the proposed merger with Chalice Gold Mines Limited (Chalice) (ASX: CHN).

The extension requires Sub-Sahara to complete a pre-feasibility study by the end of October, 2009 and a full feasibility study by May 25, 2010.

Michael Griffiths, Sub-Sahara Managing Director said the Government has shown strong support for Sub-Sahara, having taken into account the current market conditions, amount of work done to date and the expectation of the proposed merger with Chalice.

“Coupled with the recently announced revised resource of 5.04 million tonnes at an average grade of 5.8g/t Au for 944,000 ounces of gold at a cut-off of 1.2 g/t (announced 1st May 2009), the stage is set for a very exciting period post the proposed merger with Chalice”.

For and on behalf of
Sub-Sahara Resources NL

M.R. Griffiths
Managing Director

For further information please e-mail Michael Griffiths via email enquiries@subsahara.com.au or by phone on 61-8-9227 3260

Competent Person

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.

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 negotiated agreement, to acquire up 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 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

