

**ASX ANNOUNCEMENT**

**24 JULY 2007**

## **Excellent Gold Recovery from Koka Metallurgical Test Work**

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

### ***Koka Gold Deposit***

Dragon Mining Limited, in conjunction with Sub Sahara Resources NL is pleased to announce that it has received positive metallurgical test work results for ore sample taken from the Koka gold deposit in Eritrea. 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 Resources NL and Dragon is diluting to a 20% interest in the project by Sub Sahara completing a bankable feasibility study or spending US\$3.3 million.

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

**Peter G Cordin**  
Managing Director

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# Sub-Sahara Resources NL

24<sup>th</sup> July 2007

ASX Announcement

## Excellent gold recovery from Koka metallurgical test

### Highlights

- Very high gold recovered by gravity concentration
- Total gold recovery exceeds 96% after 24 hours gravity/cyanidation
- Low reagent consumption

Australian resources company Sub-Sahara Resources (**ASX: SBS**) announces that it has received positive metallurgical test work results for ore samples taken from the Koka gold deposit (Zara Project) in Eritrea

Test work was completed by specialist metallurgical consultants, Ammtec Limited of Perth, Australia on three representative composite metallurgical samples selected from 3 diamond drill holes (ZARD009, ZARD015 & ZARD035).

Gravity separation results were excellent as follows:

**ZARD009, 42%**

**ZARD015, 40%**

**ZARD035, 73%**

The resulting metallurgical recoveries (including gravity) for the samples are shown below:-

Sample	From To (m)	Head Grade (g/t)	Grind Size P <sub>80</sub>	% Au Extraction at Hours				Consumption (Kg/t)	
				8hr	12hr	24hr	48hr	Lime	NaCN
<b>ZARD009</b>	215-233	5.23	75um	94.9	97.2	98.5	99.35	0.22	0.33
<b>ZARD015</b>	88-101	25.7	75um	91.1	93.8	96.3	99.69	0.24	0.36
<b>ZARD035</b>	94-106	2.93	75um	97.2	97.9	98.4	99.32	0.20	0.39

Limited Acid Mine Drainage test work indicates that the ore possesses potential for acid generating, but at this stage, the findings are not considered to be detrimental to the project.

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Michael Griffiths Managing Director of Sub Sahara said, "The Koka gold deposit has a robust inferred resource of 760,000 oz of gold grading 3.4g/t with potential to increase resources by 20% over the coming months based on additional drilling. This positive position suggests that Koka could be the subject of a scoping study in the near future and as a result, management initiated the first pass metallurgical test work. The results of the tests have added further confidence to the resource, demonstrating rapid leach kinetics, high gold recovery and low reagent consumption. All these characteristics will have a positive impact on projected operating and capital costs of the project and will provide a significant economic advantage to Sub-Sahara and our shareholders."

### **For and on behalf of**

Sub-Sahara Resources NL  
Web site: [www.subsahara.com.au](http://www.subsahara.com.au)

**M.R. Griffiths**  
Managing Director

### **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 the Nyanzaga joint venture with Barrick Gold, Lake Victoria joint venture with Currie Rose Resources and the Nyakufuru joint venture with Resolute Mining in Tanzania. The company hold 7.6 million shares in Sunridge Gold Corp (TSX-V: SGC) with a current market value of A\$17million

### **About Zara Gold Project**

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. Sub-Sahara has a 56.34% interest in the project with the right to earn up to 69% in the project by completing a bankable feasibility study or by spending US\$3.3million. The Koka Gold deposit contains an inferred resource 760,000 ozs gold from 7million tonnes of ore grading 3.4g/t gold and current drilling continues to expand and enhance this resource.

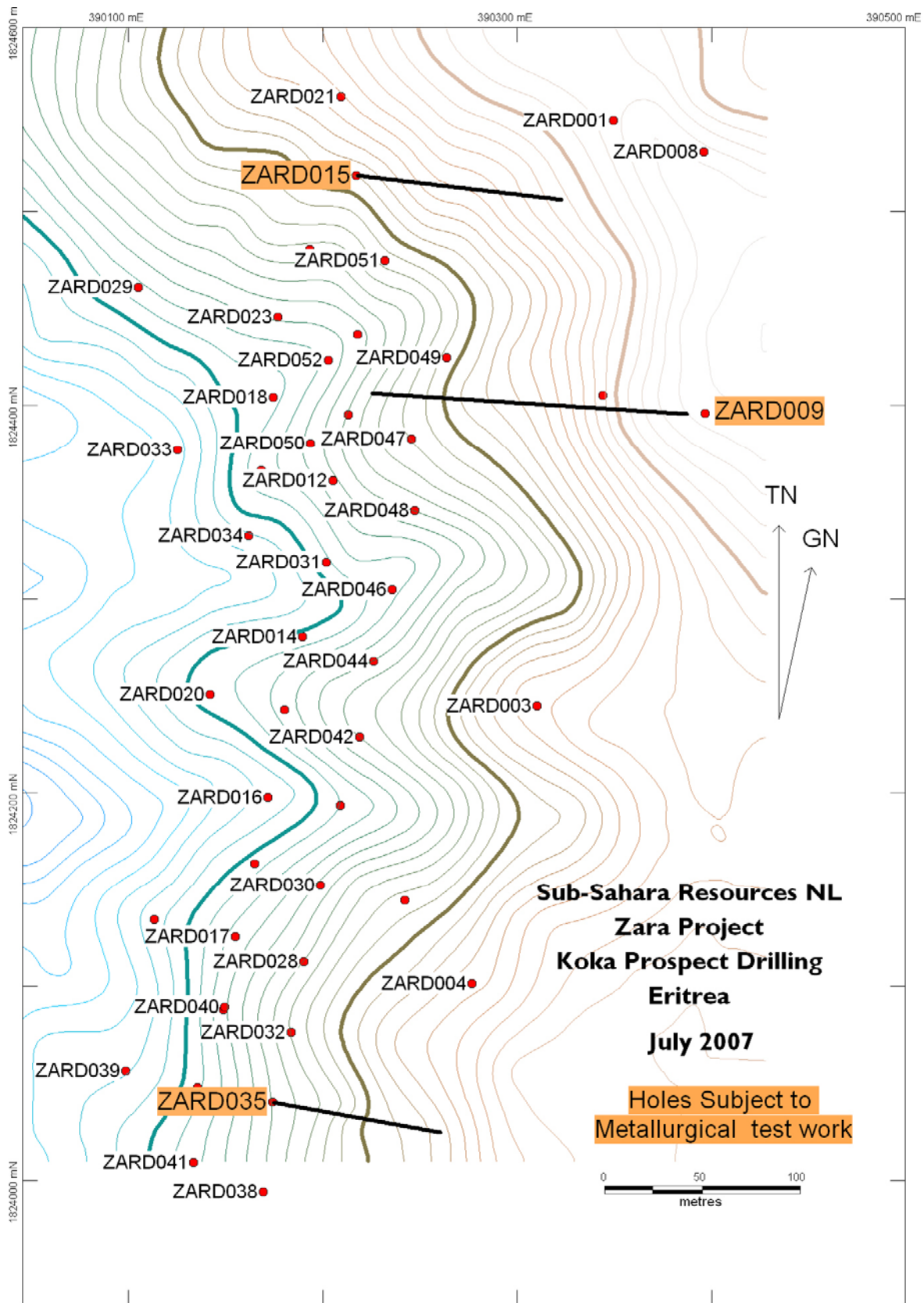
### **FOR FURTHER INFORMATION:**

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### **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 B Bolitho, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Bolitho is a non-executive director of Sub-Sahara Resources NL. Mr Bolitho 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 Bolitho 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, Koka Drill Hole Location Plan**



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