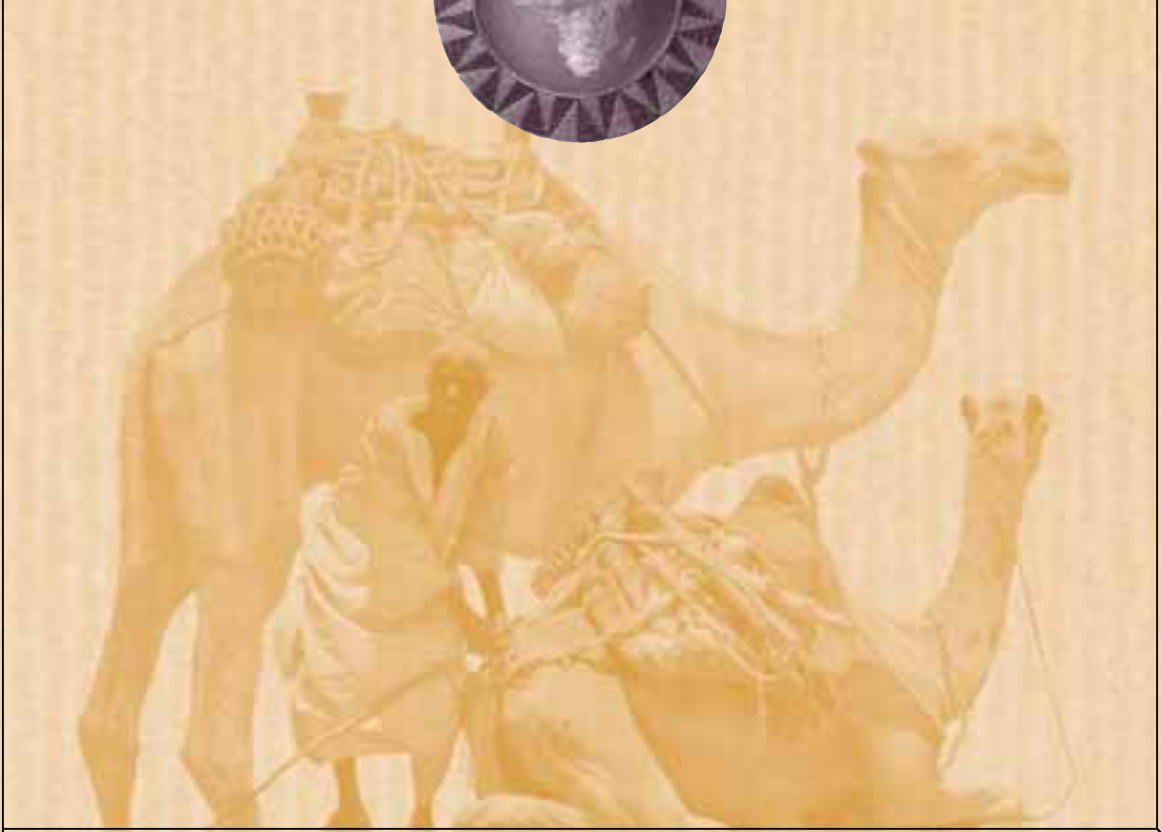


For personal use only



CONTENTS

Directory	1
Chairman's Review	3
Annual Activities Report	7
Director's Report	24
Corporate Governance Statement	31
Income Statements	33
Balance Sheets	34
Statements of Changes in Equity	35
Statement of Cash Flows	36
Notes to the Financial Statements	37
Director's Declaration	53
Independent Audit Report	54
ASX Additional Information	55
Tenement Schedule	IBC



Directors

David Riekie *Chairman*
 Michael Griffiths *Managing Director*
 Peter Munachen *Finance Director*
 Barry Bolitho
 Michael O'Sullivan

Company Secretary

Ernest Myers

Stock Exchange Quotation

The Australian Stock Exchange codes for Sub-Sahara Resources NL are
 ASX: SBS
 Frankfurt & Berlin Exchange
 Code: 895112

Registered and Principal Office

288 Stirling Street
 Perth Western Australia 6849
 Telephone: (61 8) 9227 3260
 Facsimile: (61 8) 9227 3271
 Website: www.subsahara.com.au
 Email: enquiries@subsahara.com.au

Tanzania Office

Block K Plot no. 40 Capri Point
 Nassar Drive
 Mwanza Tanzania

Eritrean Office

Level 5
 S.A. Building, Zip No189
 Warsay Avenue, P.O. Box 35
 Asmara Eritrea

Share Register

Computershare Investor Services Pty Ltd
 Level 2, Reserve Bank Building
 45 St Georges Terrace
 Perth Western Australia 6000
 Telephone: (61 8) 9323 2000
 Facsimile: (61 8) 9323 2033

Auditors

Rothsay Chartered Accountants
 Level 1, 2 Barrack Street
 Sydney New South Wales 2000

For personal use only





For personal use only

Dear Shareholder,

It is with pleasure that I provide a summary of your Company's significant achievements during the financial year and touch on some of our prospects and aspirations for the forthcoming year.

Sub-Sahara has enjoyed an extremely busy and successful year of corporate and exploration activity. This is a testament to the diligence and hard work of our executive team, headed by Mike Griffiths, who was elevated to the position of Managing Director.

During the year, Sub-Sahara:

- confirmed the significant 4.5million ounce gold deposit at Tusker, grading 1.15g/t, that forms part of the Nyanzaga joint venture with Barrick East Africa Limited in Tanzania;
- completed the sale of its interest in the Asmara Project in Eritrea for listed shares in Sunridge Gold Corp TSX:SGC, (currently valued at approximately \$14million); and
- through an accelerated exploration program, verified the prospectivity and mining potential of the Zara Gold project in Eritrea, after delineating an initial gold resource of 760,00 ounces at 3.4g/t.

In unison with this significant operational activity, the Board of Sub-Sahara also underwent a transitional change. During the year, two of the Company's long serving Directors, David Kennedy (the Company's former Chairman) and Des Foynes retired and I wish to sincerely thank David and Des for their significant contribution to the Company over a long period of time. Barry Bolitho and Mike O'Sullivan were appointed to the Board and these changes at board level have provided the Company with industry experience that will be valuable as Sub-Sahara progresses towards its aspiration of near term gold production within the Zara prospect. The Koka deposit (at Zara) continues to impress with high grade assay returns, scope for extension both down dip and along strike and good preliminary metallurgical recovery.

The strategic placement with Anvil Mining Limited, provided exploration capital but more importantly, scope for a closer exploration and working relationship in Eritrea, where Sub-Sahara has already forged strong links with the Government and the Eritrean people. Eritrea is now becoming more widely recognised for its precious and base metal, mineral endowments.

Similar opportunity also prevails in Tanzania where our "in country" exploration and management team continues to identify a number of exploration and commercial opportunities.

Like many companies that have significant international assets and interests, it remains critical for the Sub-Sahara Board to pursue commercial opportunities in areas where the Company has a distinct strategic and competitive advantage that provides the scope for increased value for its shareholders. The Company will continue to leverage off these recognised strengths that have been developed over many years of hard work and relationship building.

The prevailing gold price and predictions of its potential to continue to increase, presents the Company with an exciting future. Sub-Sahara is in the enviable position of having an impressive portfolio of significant assets and ongoing opportunities to consider in the light of this environment.

We trust the Company's stakeholders will continue to support these aspirations over the forthcoming years and on behalf of the Board, I look forward to your continued association with Sub-Sahara.

David Riekie
Chairman

For personal use only



For personal use only





For personal use only

Sub-Sahara has completed a very successful year, achieving a number of significant highlights from operations in Eritrea and Tanzania (Figure 1).

In September last year, the Company announced an initial "Indicated" and "Inferred" resource of 4.5 million ounces of gold grading 1.15g/t at the Tusker Gold Deposit in Tanzania that forms part of the Nyanzaga joint venture with Barrick East Africa Limited. Sub-Sahara currently holds a 49% interest in this project and is fully funded to completion of a bankable feasibility study.



Figure 1: Project Location Map

During April 2007, the sale of the Asmara Project in Eritrea was completed to former Joint Venture partner Sunridge Gold Corp with Sub-Sahara's share of the project being independently valued at US\$12.4million, resulting in the issue of 7.6 million Sunridge shares.

In May 2007, the Company announced a maiden "Inferred" resource of 760,000 ounces of gold grading 3.4g/t at the Koka Gold Deposit that forms part of the Zara Joint Venture in northwest Eritrea. The Company subsequently increased its interest in the project to 69% and continues to receive consistent, high grade drilling results, from the "infill" drilling phase.

ERITREAN PROJECTS

Sub-Sahara has been actively exploring in Eritrea for the past 7 years. During this time, the Company's initial interest, the Asmara base metal project, was subsequently joint ventured and recently sold to Sunridge Gold Corp.

Over the past 2 years, Sub-Sahara has accelerated exploration activities on the Zara Gold project situated in north western part of the country and this work has confirmed the Company's belief that the mineral endowment in Eritrea for both gold and base metals is significant and very prospective due to the geological setting and the lack of modern exploration (Figure 2).



Figure 2: Eritrea Location Map



Figure 3: Zara Gold Project Map

For personal use only

Zara Joint Venture - Gold

The Zara Gold project is a joint venture between Sub-Sahara (69%), Dragon Mining Limited (20%) and Africa Wide Resources Limited (11% free carried to completion of Bankable Feasibility study) and comprises a single license covering an area of 196km² situated in northern Eritrea, approximately 160km northwest of Asmara city (Figure 3).

Exploration Overview

During the year, exploration activity included resource drilling, regional and prospect scale geological mapping, ground based geophysics, surface geochemical sampling and preliminary metallurgical test work on ore from the Koka Prospect. Construction of roads, camp expansion and development of water bores was also completed to service the exploration programme.

Koka Prospect

Koka is situated on the flanks of Mt Konate and has been the centre of considerable artisanal activity which has proved to be a practical indicator for gold mineralisation (Figure 4).

Significant gold mineralisation has been intersected in a broad zone of hydrothermal alteration, characterised by carbonate/sericite/chlorite alteration, silicification and sulphidisation. The high grade gold mineralisation is dipping sub-vertically and, is quartz vein related, with lower grade disseminated mineralisation evident in the felsic porphyry host rock.

Over the past 12 months, fifty one (51) diamond drill-holes (ZARD012 and ZARD014 – 063) were completed at the Koka Prospect for a total of 8,471metres. The drilling was initially completed on a 40metre x 40metre basis and this drilling formed the basis of the first pass resource estimate announced in May 2007.



Figure 4: Koka Prospect Map

The most significant assay results returned from the Koka Prospect over the past 12 months are given below (Table 1):

Table 1: Selected Significant Diamond Drill assay Intersections, Koka Prospect.

Hole	Depth (m)	North (UTM)	East (UTM)	Azimuth (°)	Dip (°)	From (m)	To (m)	Interval (m)	Gold (g/t)
ZARD015	171.15	1,824,518	390,217	102	-55	88	101	13	24.75
ZARD017	190.75	1,824,126	390,155	102	-50	133	144	11	14.72
						147	153	6	42.36
						160	167	7	9.20
ZARD023	172.70	1,824,446	390,177	102	-50	116	126	10	11.45
						148	149	1	63.66
ZARD026	126.05	1,824,194	390,209	102	-50	54	56	2	42.21
ZARD027	166.70	1,824,395	390,213	102	-50	53	61	8	6.66
						75	76	1	46.91
						128	136	8	29.78
ZARD028	129.20	1,824,113	390,190	102	-50	67	73	6	7.33
						98	99	1	48.34
ZARD031	161.20	1,824,319	390,202	102	-50	99	104	5	24.58
ZARD035	145.00	1,824,040	390,174	102	-50	95	106	11	11.80
ZARD042	143.80	1,824,229	390,219	102	-50	30	37	7	7.96
						40	46	6	12.71
						81	83	2	53.65
						97	120	23	15.62
ZARD044	146.00	1,824,268	390,226	102	-50	26	54	28	6.94
						62	81	19	3.68
ZARD046	122.50	1,824,305	390,236	102	-50	18	29	11	8.01
						79	81	2	30.92
ZARD047	145.30	1,824,383	390,245	102	-50	12	17	5	27.04
						98	104	6	66.87
						38	43	5	8.82
						91	111	20	7.46
						121	136	15	3.50
						141	147	6	7.13
						150	151	1	75.90

Note: The drill-hole identifier contains 'ZAR' to identify the prospect, the 'D' identifies the hole as a Diamond drill-hole and the '003' identifies the hole number. The metres quoted are down-hole metres and the gold grades are uncut with up to 2 metres of internal dilution (<0.25g/t gold). An exception of up to 3 metres internal dilution occurs in ZARD042.

An independent JORC compliant resource estimate was completed by Snowden Mining Industry Consultants ("Snowden"). The resource was based on the 40metre x 40metre drill pattern, consisting of over 6,000 metres of diamond drilling with associated density data and QA/QC protocols. The Snowden resource estimate is based on drilling data over a distance of 525 metres and has been divided into two zones based on the depth below surface, as set out below (Table 2).

Table 2: Koka Inferred Mineral Resource Statement, as at May 2007

Depth category	Reporting cut-off (g/t Au)	Tonnes (Mt)	Au (g/t)	Contained gold oz
up to 150 m below surface	1.0	6.1	3.2	620,000
>150 m below surface	3.0	0.9	5.1	140,000
Total		7.0	3.4	760,000



Figure 5: Koka Prospect – Cross Section

Since the release of the resource statement above, drilling has focussed on defining mineralisation on a 40metre x 20metre basis and expanding the known strike of the resource. The ore zone has been extended by a further 75 metres to 600 metres and the mineralisation remains open to the south and at depth (Figure 5).

Upon completion of the 40metre x 20metre drill programme (4th Quarter of 2007), a revised JORC compliant resource estimate will be completed on the expanded resource.

Preliminary metallurgical test work was completed by specialist metallurgical consultants, Ammttec Limited of Perth, Australia, on three representative composite samples selected from diamond drill holes ZARD009, ZARD015 and ZARD035, at Koka Prospect.

The resulting metallurgical recoveries for the samples were very encouraging and are shown below (Table 3):

Table 3: Metallurgical Recoveries from Ore Material - Koka Prospect

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

Gravity separation results were excellent, recovering over 40% of the contained gold with the overall Ammtec result suggesting that there are no potential metallurgical impediments to the project.

By the end of the reporting period, two (2) LY38 equivalent diamond rigs, one (1) man-portable diamond drill rig and one (1) LY44 diamond rig were operating on double shifts at the Koka prospect.

Konate Prospect

Two diamond drill holes (ZARD011 and ZAR013) totalling 356metres, were drilled at the Konate Prospect. These holes targeted the projected alteration zone and were drilled in the opposite direction to the previously reported drilling (ZARD005 – ZARD007) where surface mapping suggested that holes ZARD005 – ZARD007 were drilled sub-parallel to mineralisation. However, assay results for ZARD011 and ZARD13 did not return intercepts of sufficient gold grades that could explain the extensive artisanal activity over the Prospect. Further drilling will be initiated to resolve this issue after detailed structural mapping has been completed.

Regional Exploration

A programme of prospect and regional geological mapping over the Zara Project area with associated surface sampling (channel and rock chip), has been completed. Significant assay results for the regional surface sampling programmes are given below (Table 4).

Table 4: Significant Surface Sample Assay Results - Zara Project (Regional)

Sample	Easting (UTM)	Northing (UTM)	Sample Type	Ag (ppm)	As (ppm)	Au (ppm)	Ba (ppm)	Cu (ppm)	Ni (ppm)	Pb (ppm)	Zn (ppm)
208377	394538	1827129	Rock Chip	1.5	5	98		6853	4	6	12
208380	390076	1828857	Rock Chip	0.3	5	1014		8921	25	4	104
208385	390303	1819170	Rock Chip	2	5	10		3718	7	71	12
208388	390566	1820669	Rock Chip	0.2	5	25		1155	1	11	32
208411	392085	1820250	Rock Chip	9.2	618	3819		4912	2	65	639
208412	392085	1820250	Rock Chip	9.9	768	127		579	2	23	374
208413	392085	1820250	Rock Chip	14.4	138	2137		5803	1	471	381
208414	392085	1820250	Rock Chip	52.6	7951	77268		232	3	122	218
208444	392082	1820250	Rock Chip	3.5	614	1211		4449	0.5	66	734
208453	392066	1820247	Rock Chip	4.2	6744	870		5528	6	19	4632
208500	390585	1818187	Rock Chip	0.05	5	1867		5		5	112
208501	390585	1818197	Rock Chip	0.05	5	1183		49		3	67
208502	390568	1818219	Rock Chip	0.5	5	12970		16		2	75
208506	387996	1825444	Rock Chip	10.1	4	3	10409.9	50685	64	7	57
208507	388032	1825446	Rock Chip	96	4	7	1841.2	25511	43	25	84
208508	387977	1825498	Rock Chip	8.6	3	2	73.3	18880	20	12	50
208509	387977	1825498	Rock Chip	3.9	3	3	214.2	6563	29	11	104
208510	391787	1819462	Rock Chip	0.4	72	2248		32		7	6
208518	389123	1825579	Rock Chip	78.1	24	521		6431		5119	159

The regional programme has defined a new Prospect known as 'Wedi Mama', situated approximately seven hundred (700) metres north-northeast of the Koka Prospect. The Company expects to complete its initial drill appraisal of Wedi Mama towards the end of 2007.

A ground, resistivity geophysical survey targeting ground water within 2km of the Koka deposit was completed over areas identified from structural interpretation of satellite imagery. The programme successfully identified two aquifers and these are now providing adequate water supplies for all drilling and camp purposes.

Asmara Joint Venture – Base Metals & Gold

During the year, the sale of the Asmara project to Sunridge Gold Corp. was completed based on an independent valuation that valued the entire project at US\$26million. The assignment to Sunridge was completed on the 3rd April 2007, concluding the sale of the Asmara project. Sub-Sahara was issued with 7.6 million shares in Sunridge representing 14.7% of the issued capital of the company in exchange for its 48% interest in the project.

TANZANIAN PROJECTS

The Company has a very strong portfolio of projects in Tanzania where it has operated for the past 11 years. Most of Sub-Sahara's key areas are joint ventured and all of the projects in the Lake Victoria greenstone belt are focussed on gold. The Company is the operator of the Lake Victoria Joint Venture with Currie Rose Resources Inc. and manages the grass roots Western Rift package in western Tanzania (Figure 6).

The most significant projects for Sub-Sahara in Tanzania are the Nyanzaga JV which hosts the Tusker (4.5 million ounce) Gold Deposit that is managed by Barrick Exploration Africa Ltd, a subsidiary of Barrick Gold Corporation and the Lake Victoria JV that hosts the Mwamazengo Gold discovery.

Further drilling of the Mwamazengo Gold discovery by Sub-Sahara has successfully demonstrated the continuity of gold mineralisation along strike and down dip. The deposit is now defined on a 40metre x 40metre drill spacing over 300metres to a vertical depth of 140metres and, remains open along strike and down dip. The next phase of drilling is in progress and it will test further strike and dip extensions to the known mineralisation.



Figure 6: Tanzania Location Map

Nyanzaga Joint Venture - Gold

The Nyanzaga Joint Venture (JV) with Barrick Exploration Africa Ltd (BEAL), a subsidiary of Barrick Gold Corporation, is located 60kms south-southwest of Mwanza city on the north-eastern flank of the Sukumaland Achaean Greenstone Belt in central Tanzania. The JV area covers approximately 500km² of

highly prospective geology and BEAL has earned 51% of Sub-Sahara's interest in the project.

BEAL can increase its equity to 70% of Sub-Sahara's interest by free carrying Sub-Sahara to a 'decision to mine' based on a bankable feasibility study. Expenditure by Barrick, since commencement of the joint venture is approximately US\$12million (Figure 7).

Exploration at Nyanzaga during the year was directed toward increasing the confidence in the Tusker Gold deposit and further exploration of other nearby target areas, to add to the resource base previously defined.



Figure 7: Nyanzaga Project Location Map

Tusker Prospect

The Tusker deposit has now been drilled on a 40metre x 40metre and 40metre x 80metre basis, covering the main zone of the deposit. Tusker currently extends for over 400 metres, is 200 metre wide and has been drilled to a depth of 550 metres. Mineralisation remains open at depth (Figure 8).

During September 2006, Sub-Sahara reported a resource estimate of 4.5 million ounces of gold grading 1.15g/t at the Tusker Gold deposit (Table 5).

Table 5: Tusker Global Resource above 0.4 g/t Gold

Category	Volume	Tonnes	Gold g/t	Metal (oz)
Indicated	30,920,000	89,560,000	1.20	3,455,000
Inferred	11,640,000	33,710,000	1.00	1,080,000
TOTAL	42,560,000	123,270,000	1.15	4,540,000

Cube Consulting Pty Ltd (Cube) was commissioned by Sub-Sahara to produce geologically constrained, independent JORC compliant resource estimate. The resource estimate was calculated using Ordinary Kriging methodology and was based on drilling completed by BEAL up to July 31, 2006. BEAL has completed additional drilling on the deposit since that time.

The estimate represents a reliable global resource of total contained metal (to 550 metres vertical depth) and does not account for any mining considerations. Estimated mineralisation below 550 metres is not reported and mineralisation remains open at depth. Statistical analysis by Cube determined that an upper cut of 10g/t gold was appropriate for this deposit. Mineral resources were reported above a nominal lower cut of 0.4g/t gold.

Drilling to date confirms the continuity of wide, low-grade gold mineralisation within a siltstone-sandstone-banded chert sequence, which is folded and reclined in an antiform, with a barren mudstone cap (Figure 9). The mineralised zone is exposed at surface in a gossan near the north end of the Prospect. The most persistent high grade zone is associated with a banded chert-siltstone at the contact with a lower pyroclastic unit, with grades in this zone commonly >2g/t gold. Several high-grade zones (visible gold) also occur proximal to the upper contact of the mineralised sandstone-siltstone package.

BEAL has also completed preliminary metallurgical test work on three 20kg oxide samples from Kilimani and five 20kg sulphide samples from Tusker sent to AMMTEC laboratory of Western Australia. The samples were compiled from Kilimani RC chips and Tusker ¼ core. From a cyanide leach of the -106 micron fraction, recoveries obtained from Kilimani oxide material ranged from 90.5% to 96.8% (average 95%), and recoveries obtained from Tusker primary zone material ranged from 76.6% to 91.1% (average 85%). The addition of activated carbon improved the recoveries by approximately 1% but resulted in increased cyanide consumption.

During the year, four diamond holes for a total of 1,827 metres were drilled at the Tusker prospect to complete the 40metre x 40metre and 40metre x 80metre infill drilling and the down-plunge, step-out drilling program. The aim of the infill drilling was to better define the lateral and up-dip continuity of the "higher grade" zones at Tusker and down-plunge extensions at depth to the north-northwest.

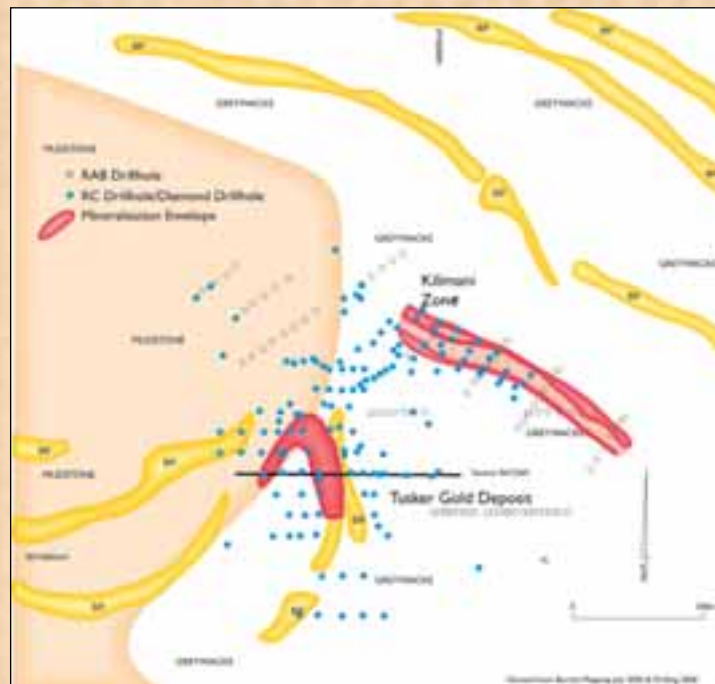


Figure 8: Tusker/Kilimani Prospects Map

Significant drill intersections from assays returned are shown below (Table 6). None of these new results were included in the Tusker resource estimate calculated by Cube.

Table 6: Significant Drill Intersections – Tusker Prospect

Prospect	Hole ID	From (m)	To (m)	Interval (m)	Au (ppm)
Tusker	NYZDD003	35	441	406	1.52
		Including 13m @ 3.89g/t gold			
Tusker	NYZRCDD082	308	745	437	1.11
		Including 19m @ 4.14g/t gold			
Tusker	NYZRCDD044	437	727	290	0.83
		Including 22m @ 2.82g/t gold			

NB: All intersections are down-hole widths, have an upper cut of 60g/t and a lower cut of 0.5g/t, and internal dilution up to 22m

Five quarter-core drill samples were shipped to AMMTEC laboratories in Australia for 'grindability' test work. The samples were selected from mineralized lithological units that should constitute mineable ore.

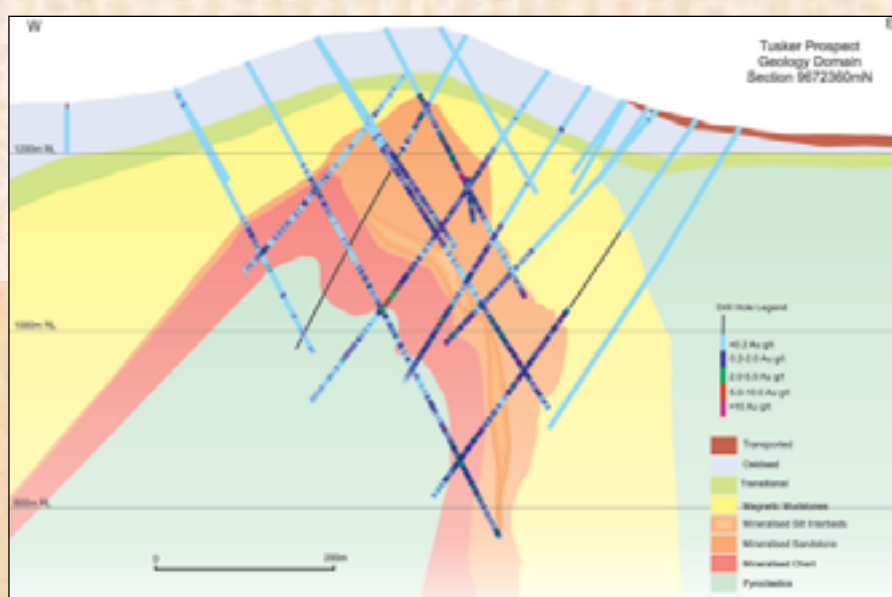


Figure 9: Tusker Prospect - Cross Section

Kilimani Zone

Seven (7) diamond drill holes with RC pre-collars were drilled during the year for a total of 2,212.9 metres of diamond drilling and 992 metres of Reverse Circulation (RC) drilling. A further six (6) RC holes for 861 metres was also completed (Figure 8). The RC drill program was designed to extend the oxide gold mineralisation previously identified at Kilimani in 2005, whilst the diamond drilling was designed to test for depth extensions to known gold mineralisation. Significant assay results from the drilling are given below (Table 7).

Table 7: Significant Drill Intersections – Kilimani Prospect

Prospect	Hole ID	From (m)	To (m)	Interval (m)	Au (ppm)
Kilimani	NYZRCDD127	43	76	33	1.40
	NYZRCDD129	15	56	41	1.40
	NYZRC130	23	62	39	1.05

NB: All intersections are down-hole widths, have an upper cut of 60g/t and a lower cut of 0.5g/t, and internal dilution up to 22m

BEAL has commenced a review of the Kilimani oxide resource potential and results are pending.

Regional Exploration

During the year, an airborne VTEM survey of approximately 306 line kilometres was completed across a large portion of the Nyanzaga project area incorporating the Tusker, Tusker South, Kilimani and Kasubuya prospects. Interpretation of the data resulted in the identification of eight (8) anomalies for field follow-up. Surface mapping (16km²) and rock chip sampling was completed across six (6) of the targets with a total of 336 samples collected. Assay results from the rock chip sampling to date have returned several anomalous gold assays (0.1-0.95 g/t Au). It is anticipated several of the targets will be tested with follow-up drilling in late 2007.

Rock chip sampling programmes across the Nyangh'ona, Lubungo and Kilimani hill target areas was also carried out during the year. Assay results are pending.

Nyakufuru Joint Venture - Gold

The Nyakufuru Joint Venture is situated approximately 150km south-southwest of Mwanza city. The properties are grouped into three (3) separate project blocks (Mkweni, Mwagi Magi and Kanegele). Joint venture partner Resolute Mining Limited (Resolute) is the manager of the Joint Venture (Figure 10).

Resolute has completed its initial earn-in phase (51%) by spending US\$275,000 and has elected to earn a further 19% by solely contributing an additional US\$5million over four years or producing a Bankable Feasibility Study.

Mkweni Project

Two prospect areas (Leeuwin and Grange) have been identified on the Mkweni Project area. Drilling at the Leeuwin prospect during the 2005 – 2006 identified continuous, anomalous gold mineralisation over 500 metres of strike to a vertical depth of 50 metres. Preliminary metallurgical tests indicate that the mineralised material is amenable to cyanide leaching, with a recovery of 90% or more, in oxide material.

During the same period, drilling at the Grange prospect, identified anomalous gold mineralisation over a strike length of 300 metres (to a depth of 50 metres).

Work during the current year at the Grange prospect using infill soil and hand auger sampling, indicates that the "Grange Reef" structure has potential to extend for an additional 2.5km beyond the limits of current drilling and Resolute have reported that a geophysical survey (a gradient array induced polarity) completed during the year, demonstrates several resistivity and chargeability features coinciding with anomalous soil and auger results, providing targets for follow up drilling.

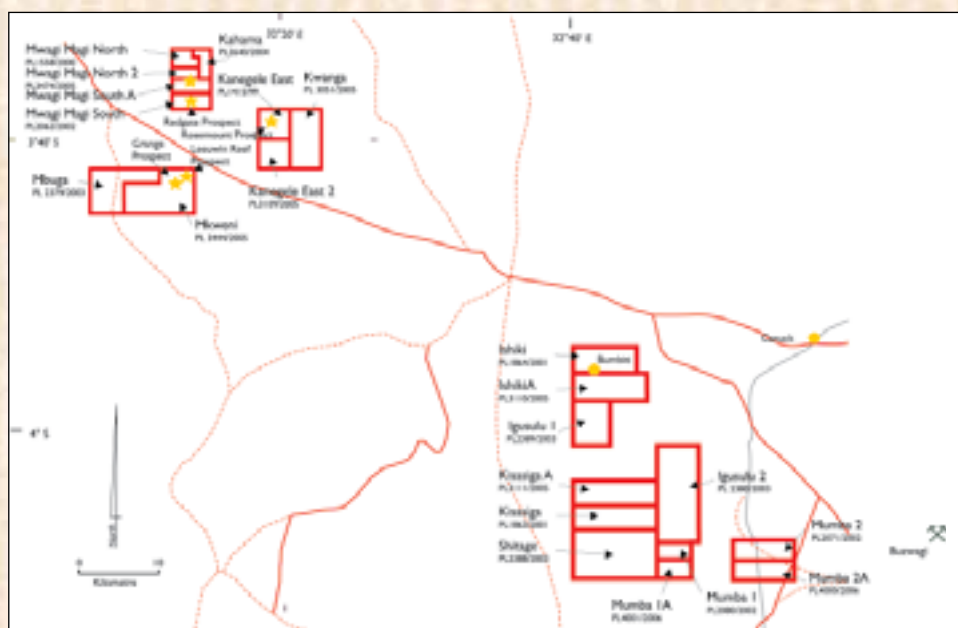


Figure 10: Nyakufuru and Kahama Project Location Map

Mwagi Magi Project

At the Mwagi Magi project, minor infill soil sampling was completed during the year over untested soil anomalies at the western edge of the Mwagi Magi workings. Assay results are pending.

No work was done on the Kanengele area during the year.

Kahama Joint Venture - Gold

The Kahama Joint Venture comprises a number of tenements that are located on the western extent of the Nzega greenstone belt, approximately 30km west of the Resolute Mining Limited (Resolute) Golden Pride gold mine in central Tanzania. Resolute is the manager of the Kahama Joint Venture (Figure 10).

Resolute has completed its initial earn-in phase (51%) by spending US\$275,000 and has elected to earn a further 19% by solely contributing an additional US\$5million over four years or producing a Bankable Feasibility Study

During the year, five (5) reverse circulation and six (6) reverse circulation pre-collared diamond drill holes were completed for a total of 1,049 metres, over an area of recent artisanal activity within the Igusulu 1 prospecting licence. Most of the drill holes intersected a 10 metre to 20 metre wide zone of sheared mafic rocks with quartz veining. No significant assay results were returned.

An Induced Polarity/Resistivity geophysical survey totalling of 18.4 line kilometres over the Igusulu 1 License was completed. The survey was designed to identify chargeable and resistive units that may help identify the source of previously generated "gold-in-soil" anomalies. The data has been sent for processing and interpretation.

Lake Victoria Joint Venture - Gold

The Lake Victoria Joint Venture with Canadian listed Currie Rose Resources Inc. (Currie) covers two project areas, Mabale Hills and Nyamirembe. Currie has earned a 40% interest in the project areas and can increase its interest in these licences to 70% by completing a bankable feasibility study on either of the projects. Sub-Sahara is the operator of the Joint Venture.

MABALE HILLS PROJECT

The Mabale Hills Project is situated approximately 125km south of Mwanza city on the north-eastern flank of the Sukumaland Achaean Greenstone Belt in central Tanzania (Figure 11).

Three prospect areas (Ilalucha, Manyiro & Mawemabi) generated by an earlier Helimagnetic Survey completed in January 2007, were investigated during the year. A total of 788 soil samples were collected returning significant gold-in-soil anomalies on all three Prospects. Follow up RAB drilling at Ilalucha, Manyiro and Mawemabi Prospects returned weak gold mineralisation that will be investigated over the coming months (Figure 12).



Figure 11: Mabale Project Location Map

Mwamazengo / Dhababu Prospects

A drill programme of 2,680 metres of Rotary Air Blast drilling (RAB), 1,083 metres of Reverse Circulation (RC) and 1,364 metres of diamond drilling were completed during the year at the Mabale Hills Project.

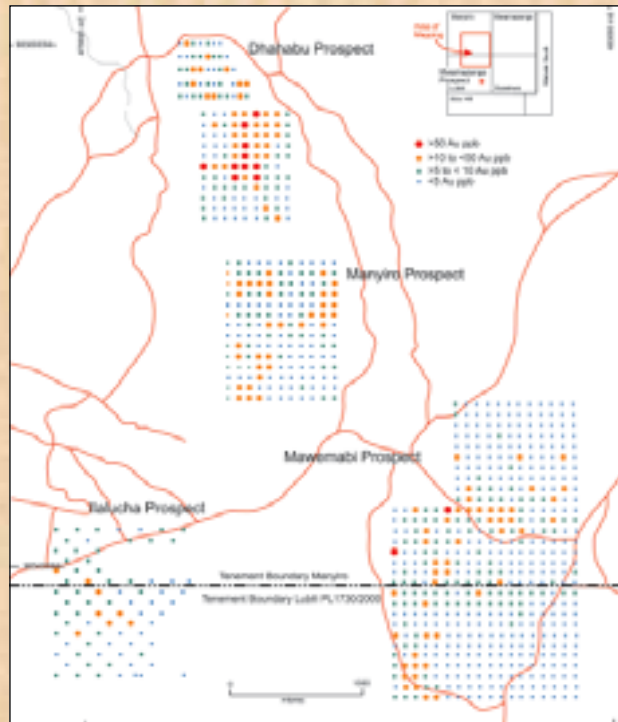


Figure 12: Mabale Prospects Location Map

For personal use only

Encouraging results for gold mineralisation were returned for both Mwamazengo and Dhahabu Prospect areas (Table 8).

Table 8: Significant diamond drill assay intercepts – Mwamazengo/Dhahabu Prospects

Prospect	Hole	Depth (m)	North (UTM)	East (UTM)	Azimuth (°)	Dip (°)	From (m)	To (m)	Interval (m)	Gold (g/t)
Mwamazengo	MBND001	146.00	9,649,865	482,175	90	-55	29	60	31	5.91
Mwamazengo	MBND008	70.00	9,649,826	482,271	90	-55	6	11	5	2.25
Mwamazengo	MBND009	70.00	9,649,738	482,294	90	-55	48	49	1	3.40
Mwamazengo	MBND010	80.00	9,649,738	482,236	90	-55	25	27	2	2.40
							65	66	1	4.45
Mwamazengo	MBNR021	106.00	9,649,905	482,180	85	-55	18	32	14	4.97
Mwamazengo	MBNR022	103.00	9,649,825	482,233	90	-55	9	14	5	1.22
							31	36	5	1.61
							43	46	3	1.45
							63	68	5	2.41
Mwamazengo	MBNR023	94.00	9,649,740	482,204	90	-55	18	19	1	1.26
							26	27	1	1.77
							82	86	4	1.31
Dhahabu	MBNR024	35.00	9,657,060	480,256	270	-60	1	2	1	1.83
							9	14	5	4.40
Dhahabu	MBNR026	150.00	9,657,060	480,240	270	-60	53	54	1	2.74
Mwamazengo	MBNR-D002	160.50	9,649,865	482,134	90	-55	85	91	6	2.53
							106	111	5	6.87
							117	118	1	3.20
							129	130	1	1.07
Mwamazengo	MBNR-D003	161.70	9,649,825	482,140	90	-55	127	128	1	9.35

Notes:

- All Assay values are uncut*
- As there is insufficient data to calculate true widths, drill intercept lengths only are reported.*
- A Quality Assurance/Quality Control program is part of the drilling program on the Mabale Hills Project. This program includes chain of custody protocol as well as systematic submittals of standards, duplicates and blank samples into the flow of samples produced by the drilling.*
- Samples are prepared and analysed at Humac Laboratories – Mwanza, Tanzania*

The drilling programme was designed to test strike continuity and the down dip extensions of gold mineralisation at the Mwamazengo Prospect and the previously generated coincidental geochemical and geophysical anomalies at Mwamazengo and Dhahabu prospects.

The drill testing of targets that had similar magnetic 'signatures' to the Mwamazengo gold deposit and anomalous Dhahabu trench results for gold, had limited success. Results will be interpreted before any follow-up work is carried out.

The drill programme at Mwamazengo successfully demonstrated the continuity of gold mineralisation along strike and down dip. The deposit is now defined on a 40metre x 40metre drill spacing over 300 metres to a vertical depth of 140 metres and remains open along strike and down dip. The next phase of drilling is in progress and results are pending. This work will test further strike and dip extensions to the known gold mineralisation.

The drilling at the Dhahabu prospect returned encouraging assay results for gold (MBNR024 and MBNR026) where trenching had already identified a zone of interest. These results will be followed up with further drilling.

NYAMIREMBE PROJECT

The Nyamirembe Project is located west of the currently defined Geita Archaean Greenstone Belt that hosts the 16moz Geita Gold Mine. Aeromagnetic data indicates that the Geita Greenstone Belt may continue west through the Nyamirembe Project area (Figure 6).

Interpretation of recent Finnish airborne magnetic, radiometric and electromagnetic survey data has identified a number of targets for ground follow-up in the coming year.

Western Rift Joint Venture – Nickel, PGE & Uranium

During September 2004, Sub-Sahara reached an agreement with Tanzanian company Canyon Resources Limited to explore 16,000 km² of their highly prospective portfolio of exploration properties in the Western Rift region of Tanzania. Under the terms of the agreement, Sub-Sahara holds a 30% interest in the Joint Venture, having made statutory rent payments and by completing the first year of reconnaissance exploration. The Company may earn up to a 70% interest by completing a feasibility study.

The properties (Figure 6) cover rocks of the Ubendian, Karagwe-Ankolean and Bukoban systems. The Mpanda and Lupa base/precious metal Mineral Fields are hosted by the Ubendian System, as is the Mibango Ni-Cu-PGE project (Goldstream Mining NL). The Karagwe-Ankolean System hosts the Kabanga (26Mt at approximately 2.6%) and Musongati (183Mt @ 1.31%) nickel deposits. Numerous historical uranium occurrences are documented in the literature as being on or near the Joint Venture properties and remain unexplained.

A geological assessment and report on the mineral potential of the properties, completed by Sub-Sahara Resources, identified considerable uranium (unconformity type), nickel, copper, PGE (layered complex) and gold (epithermal) potential within the Joint Venture licenses.

Sub-Sahara and Joint Venture partner Canyon Resources Limited expect to initiate a significant exploration programme over the properties during the coming year.

Madaba-Mkuju Joint Venture – Uranium

Sub-Sahara has entered into a Joint venture with unlisted Canadian company Tanganyika Uranium Corp. Sub-Sahara has a 15% contributing interest in the project situated 225km south-east of Dar es Salaam. The project area covers 9,689km² (Figure 6).

The majority of the joint venture area was explored by German uranium explorer, Uranerzbergbau GMBH (Uranerz) between 1978 and 1981. Uranerz discovered significant "Roll-front" style uranium mineralisation within the Karoo sandstones that forms part of the Luwegu-Selous Basin.

Based on this work, a two-stage, success-contingent, work program is planned, consisting of data compilation, airborne geophysics, ground geophysics, geological mapping, pitting, and drilling at a total estimated cost of CDN \$2.7million over two years. Sub-Sahara is expected to contribute CDN\$105,000 during the first year and CDN\$300,000 during the second year as part of its JV commitments.

The work program is expected to commence in the fourth quarter of 2007.

For personal use only

AUSTRALIAN PROJECTS



Duketon Project

The Company holds 7 Mining Lease applications at Duketon, situated 120km north of Laverton in Western Australia. No field work was conducted in the area pending grant of the applications.

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.

The information in this report that relates to Mineral Resources on the Koka discovery, is based on a resource estimate compiled by Mr John Graindorge, who is a Member of The Australasian Institute of Mining and Metallurgy, and is a full-time employee of Snowden Mining Industry Consultants. Mr Graindorge has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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'. Mr Graindorge consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

30 June 2007

Your directors submit their report for the year ended 30 June 2007.

1. DIRECTORS

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr David Noel Riekie, (Chairman) (appointed 8 November, 2006), B.Ec, Dip Acc, CA, MAICD

Mr. Riekie (45) is a Chartered Accountant and has significant experience in capital raising initiatives (public and private), and corporate and strategic development programs. He is an executive director of Grange Consulting Group Pty Ltd (Grange), which specialises in capital raisings, mergers and acquisitions and corporate advice. Grange has been instrumental in the development of effective business strategies for restructure and growth in a variety of industries both in Australia and overseas. Mr Riekie has held directorships with Ottoman Energy Ltd (January 2004 to August 2006, since August 2006 – alternate), Commoditel Ltd (August 2003 to March 2006), New World Alloys Ltd (February 2003 to March 2006), Unilife Medical Solutions Ltd (September 2002 to April 2006) and Matilda Minerals Ltd (since February 2003).

Mr Michael Richard Griffiths, Managing Director (B.Sc., Dip.Ed., MAusIMM)

Mr Griffiths (49) has over 25 years experience in the minerals sector, working as a geologist in Australia and Africa. He has been an executive of Sub-Sahara for 9 years and has overseen the acquisition and development of all the Company's assets during that period. Mr Griffiths was appointed Managing Director in June 2007 for a period of 3 years. He is also a director of Canadian listed companies, Currie Rose resources Inc (since 2005) and Sunridge Gold Corp. (since 2003).

Mr Peter Lawson Munachen, Finance Director (FCA, FAICD)

Mr Munachen (61) is a chartered accountant and former partner in an international accounting practice. He has had considerable experience in the resources industry and is a director of Pancontinental Oil & Gas NL (since 1991), Newland Resources Ltd (since 2001), Norwest Energy NL (since 2003), Dragon Mining NL (an alternate director since 2003 and a director since 2005), and Currie Rose Resources Inc (since 2005).

Mr Barry Colin Bolitho, (Non-Executive Director) (appointed 1 March, 2007) B.Sc (Ext Met), Dip App Chem, FAusIMM

Mr Bolitho, 57, holds tertiary qualifications in chemistry and metallurgy. Over the past 15 years and has held a number of executive management positions in the resource sector including board positions with ASX listed producer and exploration companies. Mr Bolitho has an extensive experience base over most facets of the minerals industry and has been responsible for the development and executive management of a number of projects in Australia and offshore. Mr Bolitho is also a director of Matilda Minerals Ltd since May 2003, Andean Resources Ltd (since 2006) and Jabiru Metals Ltd (since 2005). Mr Bolitho was also a director of Navigator Resources Ltd (July 2003 to August 2006) and Fox Resources Ltd (July 2003 to February 2005).

Mr Michael Thomas O'Sullivan, (Non-Executive Director) (appointed 16 May, 2007) B Mineral Technology (Hons), MAusIMM

Mr O'Sullivan (46) joined Anvil Mining Limited in 2001. He graduated from Otago School of Mines in 1983. Since graduating he has worked in development and operational roles in base metals, precious metals, industrial minerals, coal and iron deposits in New Zealand, Australia, Indonesia, Zimbabwe, Ghana, Algeria and South Africa. He has previously worked in Africa on precious and base metal developments for Delta Gold N.L., Zimbabwe Platinum Mines and Metallurgical Design & Management (Pty) Ltd.

Mr Henry David Kennedy, MA(Geology), SEG, AIG (retired 28 February, 2007)

Mr Kennedy (71) has had a long association with Australian and international resource companies as an exploration manager and director. During his term as W.A. Manager for Amax Exploration Inc., that company was successful in discovering the Golden Grove copper deposit and three Forresteria nickel deposits. He has been instrumental in the formation and/or development of a number of successful listed companies, including Mineral Resources (NZ) Ltd ("MRNZ"), Otter Exploration NL, Allstate Explorations NL, Associated Gold Fields NL ("AGF") and Kiwi International Resources Limited ("KIRNL"). As technical director for Otter, Allstate and MRNZ, Mr Kennedy was involved in the discovery and/or development of the Griffin's Find (WA), Martha Hill (NZ) and Beaconsfield (Tas.) gold deposits. As Chairman and CEO of Kiwi and AGF, he was involved in the discovery of the Obotan gold mine in Ghana prior to the merger of those companies with Resolute Samantha Ltd in 1996. Mr Kennedy is a director of the following Australian listed companies: Alkane Exploration NL (since 2000, Norwest Energy NL (since 1997) and Pancontinental Oil & Gas NL (since 1999). Mr Kennedy retired as director of Sub-Sahara Resources NL on 28 February, 2007.

Mr Desmond John Foyes, Non Executive Director (retired 28 February, 2007)

Mr Foyes (72) first became involved in exploration and mining activities in 1963, culminating in the formation of Universal Gold NL in 1994. Mr Foyes has spent considerable time in Tanzania, which led to the establishment of key contacts and the acquisition of quality exploration projects. Mr Foyes has held many senior management positions during his career, including Managing Director and proprietor of various private entities. Mr Foyes retired as director of Sub-Sahara Resources NL on 28 February, 2007.

2. COMPANY SECRETARY

Mr Ernest Anthony Myers, CPA

Mr Myers is an Accountant with over 25 years corporate and company secretarial experience. He also has experience in ASX Compliance and regulatory requirements. He has been company secretary of Sub-Sahara Resources NL since March 2004.

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Sub-Sahara were:

	Ordinary Shares	Partly Paid Ordinary Shares	Options over Ordinary Shares
Mr David Noel Riekie (Chairman)	-	-	-
Mr Michael Richard Griffiths	614,500	8,350,000	-
Mr Peter Lawson Munachen	890,625	5,080,000	36,718
Mr Barry Colin Bolitho (appointed 1 March, 2007)	-	-	-
Mr Michael Thomas O'Sullivan (appointed 16 May, 2007)	-	-	-

3. EARNINGS PER SHARE

	Cents
Basic earnings per share	1.5
Diluted earnings per share	1.4

4. SHARE OPTIONS

Unissued shares

At the date of this report there were 55,442,110 unissued ordinary shares under options.

Shares issued as a result of the exercise of options

Nil options were exercised during the year.

(a) Share options already issued

Exercisable at 15 cents on or before 30 June 2009	26,642,110
Exercisable at 10 cents on or before 26 Jan 2011	400,000
Exercised during the year	-
Total existing share options exercisable	27,042,110

(b) Share options issued during the year

Exercisable at 11 cents on or before 14 February 2012	3,400,000
Exercisable at 15 cents on or before 15 July 2009	25,000,000
Exercised during the year	-
Total share options exercisable	28,400,000

Total number of options outstanding at 30 June 2007	55,442,110
--	-------------------

5. CORPORATE INFORMATION

Corporate structure

Sub-Sahara Resources NL is a no liability company that is incorporated and domiciled in Australia.

30 June 2007

Nature of operations and principal activities

The principal activities during the year of entities within the consolidated entity consisted of gold and mineral exploration. There have been no significant changes in the nature of those activities during the year.

Employees

The consolidated entity employed 10 employees as at 30 June 2007 (2006: 10 employees).

6. OPERATING AND FINANCIAL REVIEW**Group Overview**

Sub-Sahara Resources NL was formed in 1993 and listed on the Australian Stock Exchange in 1994.

Review of Operations

Exploration activity over the past twelve months concentrated on the Zara Gold Project in north-western Eritrea. Over 8,400 metres of diamond drilling was completed mainly at the Koka deposit with an initial Inferred resource of 7 million tonnes grading 3.4 g/t for 760,000 ounces of gold. The Company increased its equity in the Zara Project to 69%.

In Tanzania, work by joint venture partners was more subdued. Most of the work at the Nyanzaga joint venture centred on increasing the potential of the Tusker and surrounding prospects. Further drilling totalling 5,127 metres was completed on the Mabale area, that forms part of the Lake Victoria Joint Venture, with encouraging results. All other explored areas returned encouraging results.

Performance Indicators

Management and the Board monitor the group's overall performance, from its implementation of the strategic plan through to the performance of the company against operating plans and financial budgets.

Dynamics of the Business

Sub-Sahara has identified some key projects and has attracted quality joint venture partners to add value and progress the projects. The company will continue to seek new ventures where its personnel can add value and provide the incentive for joint venture participation.

Operating Results for the Year

Summarised operating results are as follows:

	2007	
	Revenues \$	Results \$
<i>Geographic segments</i>		
Australia	157,076	(2,193,752)
Tanzania	122,239	(313,979)
Eritrea	14,884,570	8,829,813
	15,163,885	6,322,082
Consolidated entity sales and profit from ordinary activities before income tax expense	15,163,885	6,322,082

Shareholder Returns

	2007	2006	2005	2004	2003
Basic earning/(loss) per share (cents)	1.5	(0.7)	(0.4)	(0.6)	(0.25)

Investments for Future Performance

The group will continue to build its exploration portfolio from its African contact base and utilising in house commercial expertise.

Review of Financial Condition**Capital Structure**

The group has a sound capital structure which has been enhanced during the year by raising \$4.8 million from Anvil Mining Ltd AVM in turn forming an important strategic alliance. Contributing shares were issued to directors and executives pursuant to an employee incentive scheme.

Treasury policy

The Board has not considered it necessary to establish a separate treasury function because of the size and scope of the group's activities.

Cash from Operations

The group has raised \$4.8 million during the year which has funded the ongoing operations and activities.

Liquidity and Funding

At 30 June the company has cash of \$4.75 million which will enable the group to pursue its exploration objectives.

Risk Management

The group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The group believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses the group's strategy statements, designed to meet stakeholders needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of key performance indicators (KPI's) of both a financial and non financial nature.

Statement of Compliance

The above report is based on the guidelines in The Group of 100 Incorporated publication Guide to the Review of Operations and Financial Condition.

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During April 2007, the Consolidated Entity concluded the sale of its 48% interest in the Asmara Project in Eritrea to former Joint Venture partner Sunridge Gold Corp. Sub-Sahara's share of the project was independently valued at US\$12.4million, resulting in the issue of 7.6 million Sunridge shares. The Sunridge shares were issued at \$1.84 CAD each which is the value used in calculating the profit arising on the transaction in the reporting period.

Other than the above, no significant changes in the state of affairs of the company occurred during the financial year.

8. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 27 July 2007 30 million shares were issued to Anvil Mining Ltd at \$0.08 per share for a total consideration of \$2.4 million. In addition Anvil were issued with 25 million options in the Company exercisable at \$0.15 per share, expiring within 2 years of issue date. No premium was paid on the options issued.

9. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The economic entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

10. ENVIRONMENTAL REGULATION AND PERFORMANCE

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

11. SHARE OPTIONS

Shares issued as a result of the exercise of options

No options were exercised during the year.

12. REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of Sub-Sahara (the company).

30 June 2007

Remuneration philosophy

The small number of Board members and key executives has meant that there is no clear distinction between executive and non executive remuneration. However, a description of the remuneration structures in place is as follows: The non executive directors received a fixed fee for their services. They do not receive performance based remuneration. The Managing Director, Michael Griffiths, receives a fixed fee for his services as determined in accordance with external remuneration surveys. He did receive a performance based bonus during the financial year details of which may be found in Table 1 of Key Management Personnel Benefits in the Director's Report. The Executive Director Finance and Corporate receives a fixed fee for his executive services (with no bonus or other performance based remuneration), and a separate fixed fee for his services as a director. Messrs Kennedy and Foyne both received a retirement benefit for their substantial services to the company, details of which may be found in Table 1 of Key Management Personnel Benefits in the Director's Report. Additional details of employee benefits (including that of Directors) may be found in the employee benefits tables in the Notes to Financials.

Remuneration committee

The remuneration committee met once formally during the Reporting Period, and discussed remuneration related matters at other times during the year.

Remuneration structure

In accordance with best practice corporate governance, the structure of non executive director and senior manager remuneration is separate and distinct.

Non executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the General Meeting held on 20 July 2007 when shareholders approved an aggregate remuneration of \$400,000 per year. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers advice from external consultants as well as the fees paid to non executive directors of comparable companies when undertaking the annual review process. Each director, apart from the Managing Director, receives a fee for being a director of the company. No additional fee is paid for each board committee on which a director sits. Non executive directors have long been encouraged by the board to hold shares in the company. It is considered good governance for directors to have a stake in the company on whose board he or she sits. The non executive directors of the company can participate in the Employee Share Incentive Plan. The remuneration of non executive directors for the period ending 30 June 2007 is detailed in Table 1 of this report.

Senior manager and executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain executives of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

In determining the level and make up of executive remuneration, the Board took independent advice from an external consultant.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level which is both appropriate to the position and is competitive in the market.

Structure

Fixed primary remuneration is paid on a cash basis. Non cash fringe benefits may also be negotiated by the employees (including Directors) of the company from time to time.

Company performance

Company performance is reflected in the movement in the company's share price over time. As the Company is in an exploration phase, returns to shareholders will primarily come through share price appreciation. The Board's strategy to enhance shareholder

value is to acquire early stage exploration projects and use in-house skills to develop those projects.

Table 1: Director remuneration for the year ended 30 June 2007 (audited)

	Salary & Fees	Primary benefits Cash ST	Non Monetary	Post Employment Superan- nuation	Retirement benefits	Equity Partly Paid/Options	Other Bonuses	Total
David Noel Riekie (Chairman)								
2007	34,167	-	-	3,075	-	-	-	37,242
Michael Richard Griffiths								
2007	233,807	-	-	29,300	-	-	91,743	354,850
2006	220,000	-	-	19,800	-	112,495	-	352,295
Peter Lawson Munachen								
2007	96,667	-	-	-	-	-	-	96,667
2006	83,000	-	-	-	-	74,996	-	157,996
Barry Colin Bolitho (appointed 1 March 2007)								
2007	14,166	-	-	-	-	-	-	14,166
Michael Thomas O'Sullivan (appointed 16 May 2007)								
2007	-	-	-	-	-	-	-	-
Henry David Kennedy (retired 28 February 2007)								
2007	23,333	-	-	-	-	-	50,000	73,333
2006	35,000	-	-	-	-	28,124	-	63,124
Desmond John Foynes (retired 28 February 2007)								
2007	23,333	-	-	-	-	-	30,000	53,333
2006	47,000	-	-	-	-	28,124	-	75,124

Table 2: Remuneration of the named executives who receive the highest remuneration for the year ended 30 June 2007 (audited)

Alasdair Murdo Smith								
2007	247,148	-	-	-	-	20,854	-	268,002
2006	183,037	-	-	-	-	87,986	-	271,023
Peter Kenneth Rolfe								
2007	91,093	-	-	-	-	3,476	-	94,569
2006	88,915	-	-	-	-	29,329	-	118,244
Menan Sanga								
2007	69,017	-	-	-	-	12,165	-	81,182
2006	84,605	-	-	-	-	29,329	-	113,934
Ernest Anthony Myers								
2007	-	-	-	-	-	17,378	-	17,378
2006	-	-	-	-	-	87,986	-	87,986

Mr Myers received no direct remuneration except for options (see above) from the Company. During the year, the Company paid management and administration fees to Resource Services International (Aust) Pty Ltd. For the provision of corporate, management accounting and administration services. Mr Myers is employed by Resource Services International (Aust) Pty Limited.

The share options were valued using a Black-Scholes Model with the following data:

- Expected volatility : 42.99%
- Risk free interest rate : 5.99%
- Exercise price: \$0.11

30 June 2007

13. DIRECTORS' MEETINGS

The numbers of meeting of directors held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings	Number of meetings held whilst director held office during the year
Number of meetings held:	6	
Number of meetings attended:		
Mr David Noel Riekie (chairman)	5	5
Mr Michael Richard Griffiths	6	6
Mr Peter Lawson Munachen	6	6
Mr Barry Colin Bolitho	2	2
Mr Michael Thomas O'Sullivan	1	1
Mr Henry David Kennedy	4	4
Mr Desmond John Foynes	4	4

Notes

The Directors are of the opinion that it is often more efficient to deal with matters by circular resolutions than by Board Meetings, and some matters were dealt with in such a manner during the year.

14. ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

15. AUDITOR INDEPENDENCE AND NON AUDIT SERVICES

The directors received the following declaration from the auditor of Sub-Sahara

Auditor's Independence Declaration to the Directors of Sub-Sahara

In relation to our audit of the financial report of Sub-Sahara for the financial year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Frank Vrachas
Lead Auditor
28 September 2007

16. NON AUDIT SERVICES

Rothsay are not due to receive anything for the provision of non audit services:

Signed in accordance with a resolution of the directors.

Mr Michael Richard Griffiths
Managing Director
Perth 28 September 2007

30 June 2007

STATEMENT

During the 2006/2007 financial year (the "**Reporting Period**") Sub-Sahara Resources NL (the "**Company**") has continued to operate in accordance with systems of control and accountability which the Company previously adopted. This report sets out the key corporate governance practices of the Company during the Reporting Period, providing disclosure to the extent recommended by the ASX in accordance with its "Principles of Good Corporate Governance and Best Practice Recommendations" (the "**ASX Guidelines**").

Commensurate with the spirit of the ASX Guidelines, the Company has followed each of the 28 Recommendations to the extent the Board considered that their implementation was practicable and likely to genuinely improve the Company's internal processes and accountability to external stakeholders. To the extent that the Company has adopted a practice that differs from the recommendations, disclosure is made of the Company's practice, and how that practice embraces the ASX Principles.

Additional information about the Company's corporate governance practices, including disclosure of the various charters, policies and procedures which form the Company's corporate governance framework, is set out on the Company's website at www.subsahara.com.au.

EXPLANATIONS FOR DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

As at the end of the Reporting Period, there are few recommendations of the ASX that the Company does not follow. These relate directly to the structure of the Board, and are described more fully as follows:

Principle 2**Recommendation 2.1: A majority of the Board should be independent directors****Notification of Departure**

Only two directors are considered to be independent.

Explanation for Departure

Given the size and scope of the Company's operations the Board considers that it is appropriately structured to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and day-to-day operations perspective, and to achieve the objectives of the Company. Furthermore, mechanisms are in place to ensure the integrity of the financial accounts. The audit function is carried out by the independent directors, who have recourse to the external auditor. The Board will continue to monitor the effectiveness of its structure and will make any changes as are deemed desirable as the Company continues to grow.

Principle 2**Recommendation 2.4: The Board should establish a Nomination Committee****Notification of Departure:**

There is no nomination sub-committee.

Explanation for Departure:

The full Board considers those matters that would usually be the responsibility of a nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee. The Board has adopted a Nomination Committee Charter, which it applies when convening as the nomination committee.

SKILLS, EXPERIENCE, EXPERTISE AND TERM OF OFFICE OF EACH DIRECTOR

These details are contained in profiles in the Directors' Report.

IDENTIFICATION OF INDEPENDENT DIRECTORS

In considering independence of directors, the Board refers to the criteria for independence as recommended by the ASX. To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Statement of Board and Management Functions, which is disclosed in full on the Company's website.

The Board has determined Messrs Riekie and Bolitho are independent in accordance with the independence criteria. .

STATEMENT CONCERNING AVAILABILITY OF INDEPENDENT PROFESSIONAL ADVICE

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

30 June 2007

AUDIT COMMITTEE MEMBERS AND MEETINGS

The Company has an audit sub-committee, comprising of Messrs Riekie and Bolitho. The Committee met once with the external auditors during the Reporting Period.

NOMINATION COMMITTEE

The full Board carries out the role of the nomination committee. The full Board did not meet as the nomination committee, however nomination-related discussions also occurred from time to time during the year as required.

CONFIRMATION WHETHER PERFORMANCE EVALUATION OF THE BOARD AND ITS MEMBERS HAVE TAKEN PLACE AND HOW CONDUCTED

During the Reporting Period a formal evaluation of the Board and its members was not carried out, as it was not considered to be a beneficial procedure given the size and composition of the Board and the nature of the Company's operations. However, the composition of the Board and its suitability to carry out the Company's objectives is discussed on an as-required basis during regular meetings of the Board and any adjustments made accordingly.

REMUNERATION COMMITTEE

The Committee comprises Messrs Riekie, Bolitho and Munachen. The committee met once during the reporting period.

REMUNERATION POLICY

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The small number of Board members and key executives, and the overlap of functions carried out by the Board and key executives, has meant that a clear distinction between executive and non-executive remuneration is not feasible. However, a description of the remuneration structures in place is as follows:

- The non-executive directors received a fixed fee for their services. They do not receive performance based remuneration. To the extent that non-executive directors perform services from time to time that exceed the commitment expected of them, they are eligible to receive additional fees as determined by the chairman.
- The Managing Director receives a fixed fee for his services as determined in accordance with external remuneration surveys. He does not receive a separate director's fee. He did receive a bonus as performance-based remuneration, his package is subject to review from time to time, and any adjustments made subject to approval of the full Board.
- The Executive Director - Finance and Corporate receives a fixed fee for his executive services (with no bonus or other performance-based remuneration), and a separate fixed fee for his services as a director.

There are termination and retirement benefits for substantial services to the company. Messrs Kennedy and Foyne both received such benefits from retirement as per Table 1 Director's Remuneration within the Directors Notes section. In addition see key management Personnel disclosures in the Notes to Financials.

Name	Term in office	Name	Term in office
Mr Henry David Kennedy	11 years (retired)	Mr Michael Richard Griffiths	9 years
Mr Peter Lawson Munachen	3 years	Mr Desmond John Foyne	6 years (retired)
Mr David Noel Riekie	10 months	Mr Barry Colin Bolitho	7 months
Mr Michael Thomas O'Sullivan	4 months		

For additional details regarding Board appointments, please refer to the Sub-Sahara website.

INCOME STATEMENTS

33

Year Ended 30 June 2007

	Notes	CONSOLIDATED		CHIEF ENTITY	
		2007 \$	2006 \$	2007 \$	2006 \$
Revenue					
Management fees		137,810	39,252	21,218	39,252
Proceeds from sale of investment	17	14,884,570	-	-	-
Other		10,822	34,001	5,175	34,001
Interest received – other corporations		130,683	79,368	130,683	79,368
Total revenue from ordinary activities		15,163,885	152,621	157,076	152,621
Expenses					
Depreciation and amortisation expenses		(137,066)	(47,614)	(14,028)	(11,730)
Borrowing costs expense		-	(2,024)	-	(2,024)
Salaries, directors and employee benefits expense		(1,492,153)	(767,151)	(1,286,344)	(610,326)
Exploration expenditure written down		(2,254)	(81,075)	(2,254)	(73,905)
Provision for diminution of investments		(88,623)	(422,580)	(88,623)	(77,828)
Cost of investments sold		(48,427)	-	-	-
Annual report costs		(33,378)	(23,406)	(33,378)	(23,406)
ASX fees		(26,856)	(45,279)	(26,856)	(45,279)
Audit fees		(40,142)	(35,145)	(24,000)	(25,700)
Consulting fees		(96,081)	(99,916)	(95,719)	(99,676)
Insurance		(55,876)	(95,898)	(48,247)	(95,744)
Administration, accounting and secretarial costs		(206,514)	(171,276)	(206,514)	(171,276)
Motor vehicle expenses		(9,051)	(15,042)	-	-
Public relations and conferences		(23,706)	(102,972)	(23,354)	(102,368)
Rent		(66,007)	(64,658)	(50,690)	(53,310)
Security costs		(13,884)	(12,474)	-	-
Telephone		(33,033)	(30,625)	(23,322)	(19,600)
Travel – corporate and project		(169,346)	(164,997)	(152,791)	(125,027)
Share registry costs		(26,429)	(26,848)	(26,429)	(26,848)
Other expenses from ordinary activities		(319,149)	(128,414)	(254,432)	(81,366)
PROFIT BEFORE INCOME TAX EXPENSE		12,275,910	(2,184,771)	(2,199,905)	(1,495,795)
Tax expense	3	(5,953,828)	-	-	-
NET PROFIT		6,322,082	(2,184,771)	(2,199,905)	(1,495,795)
Basic earnings per share (cents per share)		1.5	(0.07)		
Diluted earnings per share (cents per share)		1.4	(0.07)		

The Income Statements are to be read in conjunction with the Notes to the Financial Statements.

For personal use only

BALANCE SHEETS

At 30 June 2007

	Notes	CONSOLIDATED		CHIEF ENTITY	
		2007 \$	2006 \$	2007 \$	2006 \$
CURRENT ASSETS					
Cash assets		4,752,973	6,258,758	4,722,207	6,239,481
Trade and other receivables	2	760,719	486,894	502,826	466,131
Other financial assets	4	15,516,849	720,902	15,516,849	702,902
TOTAL CURRENT ASSETS		21,030,541	7,466,554	20,741,882	7,426,514
NON CURRENT ASSETS					
Receivables	5	-	-	3,504,191	3,893,940
Other financial assets	6	-	-	2,469,663	2,469,663
Property, plant and equipment	8	252,555	377,620	32,763	36,706
Deferred exploration, evaluation and development costs	9	10,216,566	5,023,710	5,784,890	736,499
TOTAL NON CURRENT ASSETS		10,469,121	5,401,330	11,791,507	7,136,808
TOTAL ASSETS		31,499,662	12,867,884	32,533,389	14,563,322
CURRENT LIABILITIES					
Trade and other payables	10	1,412,528	237,669	1,399,095	231,256
Provisions	11	5,977,682	26,038	23,045	25,228
TOTAL CURRENT LIABILITIES		7,390,210	263,707	1,422,140	256,484
NON CURRENT LIABILITIES					
Payables		-	-	13,823,720	-
TOTAL NON CURRENT LIABILITIES		-	-	13,823,720	-
TOTAL LIABILITIES		7,390,210	263,707	15,245,860	256,484
NET ASSETS		24,109,452	12,604,177	17,287,529	14,306,838
EQUITY					
Parent entity interest					
Contributed equity	12	31,049,982	26,260,596	31,049,982	26,260,596
Reserves	13	854,829	461,022	852,232	461,022
Accumulated losses	13	(7,795,359)	(14,117,441)	(14,614,685)	(12,414,780)
TOTAL EQUITY		24,109,452	12,604,177	17,287,529	14,306,838

The Balance Sheets are to be read in conjunction with the Notes to the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

35

At 30 June 2007

	Notes	CONSOLIDATED		CHIEF ENTITY	
		2007 \$	2006 \$	2007 \$	2006 \$
TOTAL EQUITY AT BEGINNING OF THE FINANCIAL YEAR		12,604,177	4,818,113	14,306,838	6,188,821
PROFIT FOR THE YEAR		6,322,082	(2,184,771)	(2,199,905)	(1,495,795)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF SUB-SAHARA RESOURCES NL		6,322,082	(2,184,771)	(2,199,905)	(1,495,795)
Transactions with equity holders in their capacity as equity holders:					
Share issues		4,789,386	9,152,389	4,789,386	9,152,389
Prior year adjustment					3,001
Loss on loans to foreign subsidiaries (discontinued)		360,024		-	
Options		142,500		142,500	
Directors and employee contributing shares		393,807	315,922	391,208	315,922
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR		24,109,452	12,604,177	17,287,529	14,303,838

The above Statements of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements.

For personal use only

STATEMENTS OF CASH FLOWS

Year Ended 30 June 2007

	Notes	CONSOLIDATED		CHIEF ENTITY	
		2007 \$	2006 \$	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(1,861,902)	(1,665,883)	(1,705,218)	(1,073,601)
Joint venture management fees		137,832	34,001	26,393	34,001
Interest received		130,683	79,368	130,683	79,368
Borrowing costs		-	(2,024)	-	(2,024)
Expenditure on mining interests		(4,561,740)	(1,478,069)	(4,074,675)	(1,368,904)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	14	(6,155,127)	(3,032,607)	(5,622,817)	(2,330,620)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(12,001)	(335,144)	(10,085)	(20,586)
Advances to controlled entities		-	-	(671,102)	(966,258)
Advances to outside entities		(133,668)	-	-	-
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(145,669)	(335,144)	(681,187)	(986,844)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issues of ordinary shares		4,789,385	9,294,889	4,786,788	9,294,889
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		4,789,385	9,294,889	4,786,788	9,294,889
NET INCREASE/(DECREASE) IN CASH HELD		(1,511,411)	5,927,138	(1,517,216)	5,977,425
Add opening cash brought forward		6,258,758	332,277	6,239,481	262,418
Effects of exchange rate changes on cash		5,626	(657)	(58)	(362)
CLOSING CASH CARRIED FORWARD	14	4,752,973	6,258,758	4,722,207	6,239,481

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements

For personal use only

30 June 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report was authorised for issue by the Directors on 28 September 2007.

Statement of Compliance

This financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (AASBs), adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. International Financial Reporting Standards (IFRSs) form the basis of AASBs adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS (AIFRS) to distinguish from previous Australian GAAP. The financial report complies with IFRSs and interpretations adopted by the International Accounting Standards Board.

Basis of preparation

It has been prepared on the basis of historical costs and except where stated does not take into account changing money values or current valuation of non-current assets. The accounting policies adopted are consistent with those of the previous year. The following specific accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Sub-Sahara (the parent entity) and all entities which Sub-Sahara controlled from time to time during the year and at balance date.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All intercompany balances and transactions, including unrealised profits arising from intra group transactions, have been eliminated in full.

(c) Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies of entities within the consolidated entity are converted to local currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

A monetary item arising under a foreign currency contract outstanding at the reporting date where the exchange rate for the monetary item is fixed in the contract is translated at the exchange rate fixed in the contract.

(d) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

(e) Receivables

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

30 June 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**(f) Investments**

The Company classifies its investments in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(i) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities are classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

(ii) Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method

Available-for-sale financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of income from continuing operations when the Company's right to receive payment is established.

(iii) Fair value

The fair value of quoted investments are based on last trade prices. If the market for financial assets is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques.

(iv) Impairment

The Company assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement.

(g) Recoverable Amount

The carrying amounts of non-current assets valued on the cost basis, other than exploration and evaluation expenditure carried forward (see Note 1(j)), are reviewed to determine whether they are in excess of their recoverable amount at reporting date. Of the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write down is expensed in the reporting period in which it occurs.

(h) Property, plant and equipment

All other classes of property, plant and equipment are measured at cost.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount. Where it is expected that a liability for capital gains tax will arise, this expected amount is disclosed by way of note.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment.

	2007	2006
Major depreciation rates are:		
- plant and equipment	13% - 27%	13% - 27%

(i) Joint ventures

Interests in joint venture operation are brought to account by including in the respective classifications, the share of individual assets employed and share of liabilities and expenses incurred.

(j) Exploration, evaluation, development and restoration costs

Costs carried forward

Costs arising from exploration and evaluation activities are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

(k) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

(l) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Control of the right to receive the interest payment. Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(n) Taxes

Tax effect accounting is applied using the income statement liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Where assets are revalued no provision for potential capital gains tax has been made.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

30 June 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(o) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- other types of employee benefits

are charged against profits on a net basis in their respective categories.

The value of the equity based compensation scheme described in note 23 is not being recognised as an employee benefits expense.

(p) Earnings per share

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(q) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

- (i) *AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]*

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The Company has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Company's financial instruments.

- (ii) *AASB-I 10 Interim Financial Reporting and Impairment*

AASB-I 10 is applicable to reporting periods commencing on or after 1 November 2006. The Company has not recognised an impairment loss in relation to goodwill, investments in equity instruments or financial assets carried at cost in an interim reporting period but subsequently reversed the impairment loss in the annual report. Application of the interpretation will therefore have no impact on the Company's financial statements.

	CONSOLIDATED		CHIEF ENTITY	
	2007 \$	2006 \$	2007 \$	2006 \$
2. Current trade and other receivables				
Recoverable exploration costs	718,794	454,225	460,901	433,462
Short term deposits	5,875	5,875	5,875	5,875
Goods and Services Tax receivable	36,050	26,794	36,050	26,794
	760,719	486,894	502,826	466,131

Terms and conditions

Sundry debtors and other receivables are non interest bearing and have repayment terms between 30 and 90 days.

3. Income tax

(a) Income Tax (Benefit) / Expense

The prima facie tax, using tax rates applicable in the country of operation, on the operating loss differ from the income tax provided in the financial statements as follows:

Prima facie tax from ordinary activities	(3,682,773)	(655,431)	(659,972)	(447,839)
Income Tax Adjusted for:				
Australia – 30%				
Tanzania – 35%				
Eritrea – 38%				
Tax effect of permanent differences:				
- Non-deductible items	240,956	110,540	138,387	110,079
- Amount not brought to account as a carried forward future income tax benefit	(2,512,011)	544,891	521,585	337,760
Income tax attributable to profit/loss from ordinary activities	(5,953,828)	-	-	-

The consolidated entity disposed of its interest in the Asmara joint venture in Eritrea which resulted in a taxable gain in Eritrea.

(b) Income Tax Losses

Future income tax benefit arising from tax losses not brought to account at balance date as realisation of the benefit is not regarded as virtually certain :

	2,615,323	4,883,739	2,609,794	2,691,041
--	------------------	-----------	------------------	-----------

The benefit for tax losses will only be obtained if :

- (i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (ii) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

4. Other financial assets

Other financial assets at fair value through profit and loss	15,516,849	720,902	15,516,849	720,902
Listed equity securities held for trading.				

5. Non current receivables

Related party receivables:

Wholly owned group loans:

Controlled entities	-	-	3,504,191	3,893,940
	-	-	3,504,191	3,893,940

30 June 2007

	CONSOLIDATED		CHIEF ENTITY	
	2007 \$	2006 \$	2007 \$	2006 \$
6. Non current other financial assets				
Shares in unlisted controlled entities	-	-	2,548,703	2,548,703
Less: Impaired value	-	-	(79,040)	(79,040)
	-	-	2,469,663	2,469,663

7. Interests in subsidiaries

Name	Country of incorporation	Percentage of equity interest held by the consolidated entity		Investment	
		2007 %	2006 %	2007 \$	2006 \$
Sub-Saharan Resources NL (Parent)	Australia	100	100		
Subsidiaries:					
Sub-Saharan Resources (Tanzania) Limited	Tanzania	100	100	1,190,476	1,190,476
Maiden Tanzania Pty Ltd	Australia	100	100	2	2
Sub-Saharan Resources (Eritrea) Limited	Australia	100	100	-	-
Zara Minerals Limited	Australia	100	100	-	-
Universal Gold Pty Ltd	Australia	100	100	1,358,223	1,358,223
Aptian Resources (Tanzania) Limited	Tanzania	100	100	1	1
Vulcan Resources (Tanzania) Limited	Tanzania	100	100	1	1
SBS (East Africa) Limited	Isle of Man	100	-	-	-
Sub-Saharan (Mchuchuma) Limited	Isle of Man	100	-	-	-
				2,548,703	2,548,703

Notes	CONSOLIDATED		CHIEF ENTITY	
	2007 \$	2006 \$	2007 \$	2006 \$

8. Property plant and equipment

Property, plant & equipment				
Measured at cost	818,712	806,711	131,137	121,051
Accumulated depreciation	(566,157)	(429,091)	(98,374)	(84,345)
	252,555	377,620	32,763	36,706

Reconciliations:

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

Property, plant & equipment				
Carrying amount at 1 July 2006	377,620	90,091	36,706	27,851
Additions	12,001	335,143	10,085	20,585
Depreciation expense	(137,066)	(47,614)	(14,028)	(11,730)
	252,555	377,620	32,763	36,706

CONSOLIDATED		CHIEF ENTITY	
2007	2006	2007	2006
\$	\$	\$	\$

9. Deferred exploration, evaluation and development costs

Exploration, evaluation and development costs carried forward in respect of mining areas of interest

Pre production:

Exploration and evaluation phases:

Carrying amount at 1 July 2006	5,023,710	4,101,198	736,499	120,852
Expenditure during the year	5,195,110	1,003,587	5,050,645	689,552
Write offs	(2,254)	(81,075)	(2,254)	(73,905)
	10,216,566	5,023,710	5,784,890	736,499

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production.

10. Current and other payables

Trade and other creditors	1,412,528	237,669	1,399,095	231,256
	1,412,528	237,669	1,399,095	231,256

11. Current provisions

Employee benefits	23,854	26,038	23,045	25,228
Provision for income tax	5,953,828	-	-	-
	5,977,682	26,038	23,045	25,228

A provision of Eritrean transaction tax payable at a rate of 38% was raised at transaction date on sale of Asmara project for consideration of Sunridge Gold Corp shares. The Eritrean transaction based tax was 38% on fair value of consideration received from the sale which amounted to approximately \$5.95million. This provision has been included as a current item in the statements and is expected to be paid within the next twelve months.

12. Contributed equity

(a) Issued and paid up capital

Ordinary shares fully paid	31,046,384	26,256,998	31,046,384	26,256,998
Ordinary partly paid shares (to 0.01 cents per share)	3,598	3,598	3,598	3,598
Total issued and paid up capital	31,049,982	26,260,596	31,049,982	26,260,596

30 June 2007

	2007		2006	
	Number of shares	\$	Number of shares	\$
(b) Movements in shares on issue				
Balance at 1 July 2006	404,709,859	26,260,596	264,940,784	17,105,649
Issued during the year				
- conversion of options	-	-	5,069	760
- director & employee share incentive scheme	-	-	1,850,000	103,750
- public equity raising	-	-	137,914,006	9,050,437
- Anvil Mining Issue	60,000,000	4,789,386		
Balance at 30 June 2007	464,709,859	31,049,982	404,709,859	26,260,596
Ordinary shares partly paid (to .01 cents per share):				
Balance at 1 July 2006	1,440,000	144	1,440,000	144
	2,300,000	230	2,750,000	275
	5,650,000	565	6,300,000	630
	4,500,000	450	4,500,000	450
	2,850,000	285	2,850,000	285
	450,000	45	450,000	45
	3,500,000	350	3,500,000	350
	3,790,000	379	3,790,000	379
	5,750,000	575	6,500,000	650
	5,750,000	575	5,750,000	575
Exercised during the year	-	-	(1,850,000)	(185)
Balance at 30 June 2007	35,980,000	3,598	35,980,000	3,598
			2007	2006
(c) Movements in listed options on issue				
Balance at 1 July 2006			26,642,110	-
Issued during the year			3,400,000	26,647,179
Exercised during the year			-	(5,069)
Balance at 30 June 2007			30,042,110	26,642,110
(d) Movements in unlisted options on issue				
Balance at 1 July 2006			400,000	-
Issued during the year			-	400,000
Exercised during the year			-	-
Balance at 30 June 2007			400,000	400,000

	Notes	CONSOLIDATED		CHIEF ENTITY	
		2007 \$	2006 \$	2007 \$	2006 \$
13. Reserves and retained profits					
General		2,600	2,600	2,600	2,600
Contributing share valuation reserve		707,131	315,922	707,132	315,922
Option valuation reserve		145,098	142,500	142,500	142,500
		854,829	461,022	852,232	461,022
Retained profits		(7,795,359)	(14,117,441)	(14,614,685)	(12,414,780)
(a) General					
(i) Nature and purpose of reserve:					
The general reserve contains amounts paid as a premium on the issue of options, valuation of contributing shares and options					
(ii) Movements in reserves:					
Balance at beginning of year		461,022	2,600	461,022	2,600
Contributing shares		391,210	315,922	391,210	315,922
Options		2,597	142,500	-	142,500
Balance at end of year		854,829	461,022	852,232	461,022
(b) Accumulated losses					
Balance at 1 July 2006		(14,117,441)	(11,932,670)	(12,414,780)	(10,921,985)
Net profit attributable to members of Sub-Saharan		6,322,082	(2,184,771)	(2,199,905)	(1,495,795)
Outside equity interest		-	-	-	-
Balance at 30 June 2007		(7,795,359)	(14,117,441)	(14,614,685)	(12,414,780)

30 June 2007

Notes	CONSOLIDATED		CHIEF ENTITY	
	2007 \$	2006 \$	2007 \$	2006 \$
14. Reconciliation of cash flows				
(a) Reconciliation of the net profit after tax to the net cash flows from operations				
Net profit	6,322,082	(2,184,771)	(2,199,905)	(1,492,795)
Non Cash Items				
Depreciation of non current assets	197,020	47,614	14,028	11,730
Exploration expenditure written off	2,254	81,077	2,254	73,905
Contributing shares and options	393,808	315,922	391,210	315,922
Decrement in value of non current assets	88,623	77,828	88,623	77,828
Profit from consideration acquired for project sale net tax	(8,930,742)	-	-	-
Net foreign currency (gains)/losses	(5,568)	657	58	362
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables	(264,570)	2,668	27,440	190,782
(Increase)/decrease in exploration, evaluation and development costs	(5,192,856)	(1,478,069)	(5,048,391)	(1,368,908)
(Decrease)/increase in trade and other creditors	1,172,675	79,239	1,037,899	72,893
(Increase)/decrease in investments	(12,001)	-	(10,085)	(237,570)
(Decrease)/increase in withholding tax payable	80,413	-	80,317	-
(Decrease)/increase in goods and services tax payable	(9,256)	-	(9,256)	-
Increase/(decrease) in provisions	2,991	25,228	2,991	25,228
Net cash flow from operating activities	(6,155,127)	(3,032,607)	(5,622,817)	(2,330,620)

(b) Reconciliation of cash

Cash balance comprises:

Notes	CONSOLIDATED		CHIEF ENTITY	
	2007 \$	2006 \$	2007 \$	2006 \$
- cash assets	4,752,973	6,258,758	4,722,207	6,239,481

15. Short term employee benefits and superannuation commitments**Employee Benefits**

The aggregate employee benefit liability is comprised of

Provisions (current)	2,991	26,038	2,991	25,228
----------------------	--------------	--------	--------------	--------

16. Expenditure commitments**Capital expenditure commitments**

Estimated capital expenditure required to maintain tenements reporting date, but not provided for, payable:

not later than one year	9,185,838	369,441	-	-
Later than one year and not later than five years	276,948	1,477,762	-	-
Later than five years	-	-	-	-
	9,462,786	1,847,203	-	-

17. Sale of interest in Asmara Project

During April 2007, the Consolidated Entity concluded the sale of its 48% interest in the Asmara Project in Eritrea to former Joint Venture partner Sunridge Gold Corp. Sub-Sahara's share of the project was independently valued at US\$12.4million, resulting in the issue of 7.6 million Sunridge shares. The Sunridge shares were issued at \$1.84 CAD each which is the value used in calculating the profit arising on the transaction in the reporting period.

18. Subsequent events

- (i) At 25 Sep 2007 Sunridge Gold Corp shares were trading on the Toronto Ventures Exchange (TSX) at \$1.49CAD per share whilst at transaction date the price was \$1.84CAD per share. Share consideration from sale of the Asmara project was valued at \$1.84CAD per share. At 30 June 2007 the shares were trading at \$2.02 per share. This appreciation was not recorded in the accounts for the year ended 30 June 2007.
- (ii) On 26 July 2007, with shareholder approval, 30 million shares in Sub-Sahara Resources NL were placed with Anvil Mining Ltd at \$0.08 per share for a total value of \$2,400,000. As part of the arrangement on the same date, Anvil was issued with 25 million options exercisable at \$0.15 expiring within 2 years of date of issue. No premium was paid on the options.

19. Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

Sub-Sahara Resources NL had been served with Native Title Claims in respect to a number of tenements and applications for tenements. To date no progress has been made in respect of this matter.

Until further information arises in relation to these claims and the likelihood of success, the consolidated entity is unable to assess the likely effect, if any, of the claims. The tenements that are subject to Native Title claims, form part of the Duketon project.

	CONSOLIDATED		CHIEF ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$

20. Earnings per share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

Net profit	6,322,082	(2,184,771)		
Earnings used in calculating basic and diluted earnings per share	6,322,082	(2,184,771)		
			Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	414,737,256	324,462,005		
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	414,737,256	354,449,539		

21. Auditor's remuneration

Amounts received or due and receivable by auditors for:

- an audit or review of the financial report of the entity and any other entity in the consolidated entity by Rothsay	24,000	25,700	24,000	25,700
- audit services in Tanzania by firms other than Rothsay	16,142	9,445	-	-
	40,142	35,145	24,000	25,700

30 June 2007

22. Director and executive disclosures**(a) Details of Specified Directors and Specified Executives***(i) Specified directors*

Mr David Noel Riekie (Chairman)	B.Ec Dip Acc, CA, MAICD
Mr Michael Richard Griffiths	B.Sc., Dip.Ed., MAusIMM
Mr Peter Lawson Munachen	FCA, FAICD
Mr Barry Colin Bolitho	B.Sc (Ext Met), Dip App Chem, FAusIMM
Mr Michael Thomas O'Sullivan	B Mineral Technology, MAusIMM
Mr Henry David Kennedy	(retired 28 February 2007)
Mr Desmond John Foynes	(retired 28 February 2007)

(ii) Specified executives

Mr Alasdair Murdo Smith	General Manager - Exploration
Mr Peter Rolfe	Operations Manager - Tanzania
Mr Menan Sanga	Exploration Manager - Tanzania
Mr Ernest Anthony Myers	Company Secretary

(b) Remuneration of Specified Directors and Executives

Total Remuneration for all non-executive directors, last voted upon by shareholders at the 2004 AGM, is not to exceed \$200,000 per annum and is set based on advice from external advisors with reference to fees paid to other non-executive directors of comparable companies.

Non-executive and executive directors do not receive performance related remuneration but they are eligible to participate in the Employee Share Incentive Scheme approved by shareholders. The Managing Director, Mr Griffiths did receive a performance based bonus during the year ended 30 June 2007. Messrs Kennedy and Foynes did receive a termination benefit for their substantial service to the company.

Remuneration of Specified Directors and Specified Executives:

	Primary Salary & Fees	Post Employment Superannuation Shares	Equity Partly Paid	Total
Specified directors				
Mr David Noel Riekie (chairman) (appointed 8 November 2006)				
2007	34,167	3,075	-	37,242
Mr Michael Richard Griffiths				
2007	316,661	29,300	-	345,961
2006	220,000	19,800	112,495	352,295
Mr Peter Lawson Munachen				
2007	96,667	-	-	96,667
2006	83,000	-	74,996	157,996
Mr Barry Colin Bolitho (appointed 1 March 2007)				
2007	14,166	-	-	14,166
Mr Michael Thomas O'Sullivan (appointed 16 May 2007)				
2007	-	-	-	-
Mr Henry David Kennedy (retired 28 February 2007)				
2007	73,333	-	-	73,333
2006	35,000	-	28,124	63,124
Mr Desmond John Foynes (retired 28 February 2007)				
2007	53,333	-	-	53,333
2006	47,000	-	28,124	75,124
Total Remuneration: Specified Directors				
2007	588,327	32,375	-	620,702
2006	385,000	19,800	243,739	648,539

	Primary Salary & Fees	Post Employment Superannuation Shares	Equity Partly Paid	Total
Specified Executives:				
Mr Alasdair Murdo Smith				
2007	247,148	-	20,854	268,002
2006	183,037	-	87,986	271,023
Mr Peter Rolfe				
2007	91,093	-	3,476	94,569
2006	88,915	-	29,329	118,244
Mr Menan Sanga				
2007	69,017	-	12,165	81,182
2006	84,605	-	29,329	113,934
Mr Ernest Anthony Myers				
2007	-	-	17,378	17,378
2006	-	-	87,986	87,986

Mr Myers received no direct remuneration except for options (see above) from the Company. During the year, the Company paid management and administration fees to Resource Services International (Aust) Pty Ltd. For the provision of corporate, management accounting and administration services. Mr Myers is employed by Resource Services International (Aust) Pty Limited.

Total Remuneration: Specified Executives:

2007	407,258	-	53,873	461,131
2006	356,557	-	234,630	591,187

(c) Remuneration Options: Granted during the year

Terms & Conditions for Each Grant

	Granted Number	Grant Date	Black Scholes Value Per Option (\$)	Total	Exercise Price per Option (\$)	Last Exercise Date
(i) Specified Directors						
(ii) Specified Executives						
Mr Alasdair Murdo Smith	600,000	14 February 07	\$0.035	20,854	0.11	14 February 12
Mr Ernest Anthony Myers	500,000	14 February 07	\$0.035	17,378	0.11	14 February 12
Mr Menan Sanga	350,000	14 February 07	\$0.035	12,165	0.11	14 February 12
Mr Peter Rolfe	100,000	14 February 07	\$0.035	3,476	0.11	14 February 12
Total	1,550,000					

The options were valued using the Black-Scholes Options Pricing Model with the following data:

- (i) Expected volatility : 42.99%
- Risk free interest rate : 5.99%

30 June 2007

22. Director and executive disclosures (cont.)**(d) Listed Option holdings of specified directors and specified executives**

	Balance at beginning of period 1 July 2006	Granted through rights issue	Options Exercised	Net Change Other	Balance at end of period 30 June 2007
Specified Directors					
Mr Peter Lawson Munachen	36,718	-	-	-	36,718
Mr Michael Richard Griffiths	15,625	-	-	-	15,625
Total	52,343	-	-	-	52,343

(e) Shareholdings of Specified Directors and Specified Executives:

Shares held in Sub-Saharan Ord	Balance 1 July 2006 Partly Paid	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Partly Paid	Other Ord	Balance 30 June 2007 Partly Paid
Specified Directors						
Mr David Noel Riekie	-	-	-	-	-	-
Mr Michael Richard Griffiths	614,500	8,350,000	-	-	-	614,500 8,350,000
Mr Peter Lawson Munachen	890,625	5,080,000	-	-	-	890,625 5,080,000
Mr Barry Colin Bolitho	-	-	-	-	-	-
Mr Mike Thomas O'Sullivan	-	-	-	-	-	-
Specified Executives						
Mr Alasdair Murdo Smith	-	4,270,000	-	-	-	- 4,270,000
Mr Ernest Anthony Myers	-	1,500,000	-	-	-	- 1,500,000
Mr Menan Sanga	-	1,475,000	-	-	-	- 1,475,000
Mr Peter Rolfe	-	1,425,000	-	-	-	- 1,425,000
Total	1,505,125	22,100,000	-	-	-	- 1,505,125 22,100,000

23. Related party disclosures

Other related party transactions

- The Company paid fees to Resource Services International (Aust) Pty Limited, a Company of which Messrs Kennedy and Munachen are directors. Messrs Griffiths resigned as director on 22 June 2007. Fees paid cover the provision of administrative / financial services, office accommodation, communication facilities and related administrative services. This fee includes a portion of the salary paid by Resource Services International (Aust) Pty Limited in respect of the company secretary and support staff. The fees are not related to the management of the Company, therefore no amounts are attributable to directors, and have not been included in directors' remuneration. The amount paid for administrative and financial services during the year was \$206,514 (2006: \$171,276) paid to Resource Services International (Aust) Pty Limited.
- During the year, Corraline Pty Ltd of which Mr PL Munachen is a Director, was paid fees of \$96,667 (2006 \$83,000) for Corporate and financial services. Refer note 22.
- During the year, Grange Consulting Pty Ltd of which Mr DN Riekie is a Director, was paid consulting fees of \$16,000 (2006 Nil). The fees are not related to the management of the Company, therefore no amounts are attributable to a director, and accordingly have not been included in directors' remuneration.
- The Company has now completed stage 3 of the Zara Joint Venture Agreement having spent in excess of \$3.3million on exploration. This had diluted Dragon Mining Limited's interest, Sub-Sahara having earned 70% of Dragon's original 66.65% holding. Dragon will now be free carried to a bankable feasibility study. Mr Munachen is a non executive director of Dragon Mining Limited.
- The Company has an agreement with Currie Rose Resources Inc, of which Messrs Griffiths and Munachen are Directors, whereby Currie Rose can earn up to a 70% interest in the Lake Victoria Project in Tanzania.
- Sub-Sahara Resources ("SBS") has reached agreement with Africa Wide Resources Limited ("AWR"), of which Mr Kennedy is a Director, to vary the terms of the proposal for SBS to increase its equity in the Eritrean Zara Gold Project. Under the variation, which was agreed to by shareholders in November 2006, Sub-Sahara would acquire 22.23% interest in the Zara project from Africa Wide Resources Ltd in consideration for Sub-Sahara free carrying AWR's remaining interest through to completion of a bankable feasibility study. Mr Kennedy is a director of Africa Wide Resources Ltd.

- (g) In April, 2007 Sunridge Gold Corporation issued 7.6million common shares to Sub-Sahara in consideration for its 48% interest in the Asmara Joint Venture. Mr Griffiths is a non-executive director of Sunridge Gold Corporation.
- (h) The Company has effected Directors and Officers Liability Insurance.

24. Segment information – primary segment

Geographic segments	Australia		Tanzania		Eritrea		Eliminations		Consolidated	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Revenue										
Revenues outside the consolidated entity	151,901	152,622	116,592	-	-	-	-	-	268,493	152,622
Other revenues outside the consolidated entity	5,175	-	5,647	-	-	-	-	-	10,822	-
Proceeds from sale of investments	-	-	-	-	14,884,570	-	-	-	14,884,570	-
Total segment revenue	157,076	152,622	122,239	-	14,884,570	-	-	-	15,163,885	152,622
Total consolidated revenue									15,163,885	152,622
Results										
Segment result	(2,199,905)	(1,492,795)	(307,826)	(663,683)	14,783,641	(28,293)	-	-	12,275,910	(2,184,771)
Non segment expenses										
Unallocated expenses									-	-
Consolidated entity profit before income tax expense									12,275,910	(2,184,771)
Income tax expense (Eritrean 40%)									(5,953,828)	-
Consolidated entity profit after income tax expense									6,322,082	(2,184,771)
Net profit									6,322,082	(2,184,771)
Assets										
Segment assets	27,444,792	8,199,719	3,925,752	4,438,369	129,118	229,796	-	-	31,499,662	12,867,884
Non segment assets										
Unallocated assets									-	-
Total assets									31,499,662	4,977,352
Liabilities										
Segment liabilities	1,422,140	256,484	14,242	7,223	5,953,828	-	-	-	7,390,210	263,707
Total liabilities									7,390,210	263,707
Other segment information:										
Acquisition of property, plant and equipment, intangible assets and other non current assets	14,894,655	20,586	1,916	109,247	-	202,036	-	-	14,896,571	331,869
Depreciation	14,072	11,730	70,743	13,127	52,251	22,757	-	-	137,066	47,614
Amortisation	-	-	-	-	-	-	-	-	-	-
Non cash expenses other than depreciation and amortisation	624,801	315,922	-	360,024	48,427	-	-	-	673,228	675,946

30 June 2007

25. Financial instruments

(a) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Non interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 %	2006 %
<i>(i) Financial assets</i>								
Cash	4,748,724	6,258,758	4,249	-	4,752,973	6,258,758	2.75	3.15
Trade and other receivables	-	-	760,719	486,894	760,719	486,894	-	-
Listed shares	-	-	15,516,849	720,902	15,516,849	720,902	-	-
Total financial assets	4,748,724	6,258,758	16,281,817	1,207,796	21,030,541	7,466,554		
<i>(ii) Financial liabilities</i>								
Trade and other creditors	-	-	1,412,528	237,669	1,412,528	158,429	-	-
Other creditors	-	-	5,977,682	26,038	5,977,682	810	-	-
Total financial liabilities	-	-	7,390,210	263,707	7,390,210	159,239		

(iii) The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

Recognised financial instruments

Cash, cash equivalents and short term investments: The carrying amount approximates fair value because of their short term to maturity.

Trade receivables, trade creditors and dividends receivable: The carrying amount approximates fair value.

Non current investments/securities: For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset or offer price for a liability, adjusted for transaction costs necessary to realise the asset or settle the liability.

Unrecognised financial instruments

Options over ordinary shares: The fair value of options over ordinary shares is determined using the Black Scholes option pricing model.

(b) Credit risk exposures

Concentrations of credit risk

The company minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with credit worthy customers from across the range of business segments in which the group operates. Refer also to Note 23 Segment Information.

Foreign exchange risk

The consolidated entity has overseas exploration commitments principally in US dollars. There are no forward foreign exchange contracts in place at this time.

The Directors of the Company declare that:

The financial statements and notes and the additional disclosures included in the Directors' report designated as audited of the Company and of the consolidated entity, are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2007 and of their performance, for the year ended on that date; and
- (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

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 after receiving the declarations required to be made to Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2007.

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

MR Griffiths
Managing Director

Dated at Perth this 28th day of September 2007

Scope

The financial report comprises the income statement, statement of changes in equity, balance sheet, statement of cashflows, accompanying notes, the disclosures made as required by AASB 124 Related party disclosures of the remuneration report in the Directors' report and the Directors' declaration for Sub-Sahara Resources NL the company and the consolidated entity for the year ended 30 June 2007. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical requirements and the Corporations Act 2001.

Audit opinion

- 1 In our opinion, the financial report of Sub-Sahara Resources NL is in accordance with:
 - a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - b) other mandatory professional reporting requirements.
- 2 the remuneration disclosures in the Directors' report comply with AASB 124

Rothsay

Frank Vrachas
Partner

Dated 28th September 2007

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 28 September 2007.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

	Number of holders	Ordinary shares Number of shares
1 - 1,000	47	24,326
1,001 - 5,000	401	1,421,386
5,001 - 10,000	559	4,834,936
10,001 - 100,000	1,552	38,697,118
100,000 and over	443	364,144,280
	1,589	404,709,859
The number of shareholders holding less than a marketable parcel of shares are:	192	581,350

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

	Number of shares	Listed ordinary shares Percentage of ordinary shares
1 Anvil Mining Limited	90,000,000	18.19
2 ANZ Nominees Limited <Cash Income A/C>	87,079,857	17.60
3 Mistolin Properties Limited	27,264,152	5.51
4 Citicorp Nominees Pty Limited	17,807,897	3.60
5 Sinogold Ventures Limited	10,486,656	2.12
6 Sunranger Enterprises Pty Ltd	9,309,615	1.88
7 Aquatic Resources Limited	8,000,000	1.62
8 Stadiums Pty Ltd	8,000,000	1.62
9 Merrill Lynch (Australia) Nominees Pty Ltd	7,061,212	1.43
10 HSBC Custody Nominees (Australia) Limited	6,345,358	1.28
11 Merrill Lynch (Australia) Nominees Pty Ltd <Berndale A/C>	5,250,000	1.06
12 Seiwan Properties Limited	5,000,000	1.01
13 Moondance Ventures Limited	3,428,401	0.69
14 Phelps Dodge Exploration Company	3,200,000	0.65
15 Mrs Catherine Martine Chappell	3,125,000	0.63
16 Armco Barriers Pty Ltd	3,000,000	0.61
17 Nalmor Pty Ltd <J Chappell Super Fund A/C>	2,962,500	0.60
18 Mr Paul McMahon & Mr Michael McMahon <P McMahon S/F A/C>	2,680,000	0.54
19 CIMB-GK Securities Pte Ltd <Client A/C>	2,600,000	0.53
20 Mr David Manston Morgan & Ms Dawn Morgan	2,594,925	0.52
	305,195,573	61.69

(c) Voting rights

All ordinary shares carry one vote per share without restriction.

(d) Substantial Shareholders

Number of Shares

The details of substantial shareholders as disclosed in substantial shareholder notices received by the Company are set out below:

Rockfield Investments Limited and its subsidiaries Mistolin Properties Limited, Sinogold Ventures Limited together with Moondance Ventures Limited, Henry David Kennedy and Graeme McKinnon Menzies	73,045,158
---	------------

(e) Distribution of option securities

The number of optionholders, by size of holding, in each class of option are:

	Number of holders	Options	Number of options
1,000	71		39,480
1,001 - 5,000	121		310,220
5,001 - 10,000	62		468,242
10,001 - 100,000	134		4,833,744
100,001 and over	41		20,990,423
	429		26,642,109
The number of optionholders holding less than a marketable parcel of options are:	264		931,458

(f) Twenty largest optionholders

The names of the twenty largest holders of quoted options are:

	Number of shares	Listed options Percentage of ordinary shares
1 Forza Family Pty Ltd	3,948,630	14.82
2 ANZ Nominees Limited <Cash Income A/C>	3,763,432	14.13
3 Mr Ian Russell Coffey	1,337,500	5.02
4 Mistolin Properties Limited	1,255,736	4.71
5 DJ Carmichael Pty Limited	750,000	2.82
6 Chelain Pty Ltd <Minuzzo Unit A/C>	675,000	2.53
7 Sinogold Ventures Limited	649,332	2.44
8 Mr Ross Alexander & Mrs Joyce Troup <Jarrosco Super Fund A/C>	628,937	2.36
9 Paradigm Capital Pty Ltd	500,000	1.88
10 Sunranger Enterprises Pty Ltd	455,502	1.71
11 Mr Rodney Darryl Saines	419,187	1.57
12 Mr Michael Andrews Eager <M & A Super Fund Account>	365,231	1.37
13 Mistolin Properties Limited	358,618	1.35
14 Nalmor Pty Ltd <J Chappell Super Fund A/C>	353,125	1.33
15 Temtor Pty Ltd	350,000	1.31
16 Bond Street Custodians Limited <ACPBB – S59962 A/C>	300,000	1.13
17 Brompton Road Pty Limited	300,000	1.13
18 Cabinet & Furniture Manufacturers Pty Ltd	280,000	1.05
19 Merrill Lynch (Australia) Nominees Pty Ltd <Berndale A/C>	250,000	0.94
20 Sun Hung Kai Investment Services Ltd <Client Katong Assets Ltd A/C>	250,000	0.94
	17,190,230	64.54

TENEMENT SCHEDULE

TENEMENT SCHEDULE – TANZANIA

Joint Venture	PL number	Area (km ²)	% Sub-Sahara	Joint Venture	PL number	Area (km ²)	% Sub-Sahara
Nyakufuru JV	1415/1999	14.57	49%	Kahama JV	1863/2001	32.35	49%
Resolute Mining Limited	3444/2005	40.84	40.80%	Resolute Mining Limited	1864/2001	34.26	49%
	1558/2000	3.73	49%		2071/2003	25.70	49%
	2062/2002	9.94	49%		2080/2002	9.94	49%
	2379/2003	36.27	40.80%		2380/2003	63.09	49%
	2640/2004	6.32	49%		2388/2003	63.41	49%
	3051/2005	29.13	49%		2389/2003	25.70	49%
	3109/2005	14.57	49%		3110/2005	34.26	49%
	3474/2005	3.73	49%		3111/2005	32.35	49%
Currie Rose Resources Inc	1730/2001	22.50	60%	4000/2006	19.27	49%	
	1731/2001	5.15	60%	4001/2006	19.27	49%	
	1832/2001	27.44	60%	Western Rift JV	R2783/2004	1339.00	30%
	1862/2001	24.26	60%	Canyon Resources Limited	R2784/2004	1005.00	30%
	2566/2004	70.15	60%		R2834/2004	2212.00	30%
	2567/2004	61.74	60%		R2835/2004	103.40	30%
	2623/2004	59.59	60%		R2836/2004	369.90	30%
	2624/2004	5.15	60%		R2840/2004	1160.00	30%
	2844/2005	27.43	60%	R2845/2004	3210.00	30%	
	3141/2005	30.02	60%	Madaba/Mkuju Joint Venture	R 3134/2005	200	15%
3158/2005	26.47	60%	Tanganyika Uranium Corp	R 3245/2005	200	15%	
Nyanzaga JV Barrick Exploration Africa Limited	1501/2000	16.98	46.40%	R 3325/2005	200	15%	
	1596/2000	57.19	46.40%	R 3326/2005	200	15%	
	1770/2001	32.12	0%	R 3327/2005	200	15%	
	1772/2001	32.61	0%	R 3328/2005	114.7	15%	
	2041/2002	20.89	46.40%	R 3329/2005	200	15%	
	2390/2003	30.84	46.40%	R 3330/2005	200	15%	
	2626/2004	55.74	45.90%	R 3331/2005	200	15%	
	2877/2004	32.32	0%	R 3332/2005	200	15%	
	3066/2005	33.09	0%	R 3420/2005	200	15%	
	3433/2005	8.44	46.40%	R 3527/2005	169.7	15%	
	3434/2005	5.76	46.40%	R 3583/2005	1000	15%	
	3862/2005	26.58	46.40%	R 3724/2005	736	15%	
	Ikongo	1548/2000	12.86	0%	R 3725/2005	736	15%
2627/2004		25.75	80%	R 3726/2005	673.5	15%	
				R 3727/2005	736	15%	
				R 3728/2005	736	15%	
				R 4009/2006	1046	15%	

TENEMENT SCHEDULE – ERITREA

Project Name	Tenement	JV Partner	SBS Interest	Holder/Applicant
Zara	Zara	Africa Wide Resources Limited & Dragon Mining NL	69%	Dragon Mining NL

TENEMENT SCHEDULE - AUSTRALIA

Project	Tenement Number	Tenement (Pending)	SBS Interest	Holder/Applicant
Duketon	Pending resolution of Native Title Claim	MLA38/456	100%	Sub-Sahara Resources NL
Duketon	Pending resolution of Native Title Claim	MLA38/457	100%	Sub-Sahara Resources NL
Duketon	Pending resolution of Native Title Claim	MLA38/458	100%	Sub-Sahara Resources NL
Duketon	Pending resolution of Native Title Claim	MLA38/539	100%	Sub-Sahara Resources NL
Duketon	Pending resolution of Native Title Claim	MLA38/616-618	100%	Sub-Sahara Resources NL

For personal use only



Sub-Sahara Resources NL
288 Stirling Street
Perth Western Australia 6849
Telephone: (61 8) 9227 3260
Facsimile: (61 8) 9227 3271
Website: www.subsahara.com.au
Email: enquiries@subsahara.com.au