



Sub-Sahara Resources NL

ASX ANNOUNCEMENT
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SUB-SAHARA RESOURCES QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 December 2007

HIGHLIGHTS:

Eritrea

- Assay results from diamond drilling at the Koka gold deposit in Eritrea returned additional significant high grade gold intercepts such as **11m @ 172.95g/t; 10m @ 76.82g/t** and **6m @ 89.62g/t**.
- The drilling programme at the Zara Gold project has succeeded in its objective of advancing towards the mining stage through extending known mineralisation along strike and at depth and continues to confirm the known mineralisation through infill drilling on the 40m x 20m grid.
- An updated independent resource estimate for the Koka Gold deposit was commissioned, and Coffey Mining Pty Ltd is expected to complete the report during the first quarter of 2008.
- Eritrean Government awards its first Mining Lease to Nevsun Resources Limited and confirms its object of promoting mining and the mining industry.

Tanzania

- The Mwamazengo prospect in Tanzania returned positive assay results extending the vertical depth of the gold mineralisation deposit to over 200 metres.
- Regional and prospect scale soil sampling programmes were completed on the Kahama JV properties with Resolute Mining Limited. Assay results are awaited.

EXPLORATION ACTIVITY REPORT ERITREA

Zara Joint Venture (Gold)

The Zara Joint Venture with Dragon Mining Limited and Africa Wide Resources Limited consists of four contiguous licenses covering an area totalling 196km² situated in northern Eritrea, approximately 160km northwest of Asmara city (Figure 1).

Koka Gold Deposit

During the quarter, the remaining drill core for the 40mx20m infill drilling exploration programme (up to drill hole ZARD084) on the Koka Gold Deposit within the Zara Property was logged, sampled and sent for gold assay to Genalysis Laboratories (Perth). Drilling continued with a programme of holes designed to test the northern and southern strike extensions together with depth extensions at Koka.

An additional twenty four (24) diamond drill holes (ZARD088-ZARD111), totalling 2,550 metres, were completed at Koka during the quarter with all drilling activity suspended over the Christmas break. Assay results have been received for ZARD069, ZARD071-74, and ZARD076-96, with high grade diamond drill intercepts for gold returned as follows:

Hole	From (m)	To (m)	Interval (m)	Gold (g/t)
ZARD069	148	159	11	172.95
ZARD071	130	134	4	41.62
ZARD073	105	108	3	49.05
ZARD079	75	76	1	78.19
ZARD081	37	47	10	76.82
	65	69	4	28.71
ZARD083	38	44	6	69.5
	48	49	1	76.82
ZARD084	96	102	6	17.46
ZARD085	10	14	4	20.55
ZARD088	52	58	6	89.62
ZARD091	22.5	29	6.5	7.81
ZARD095	8.5	11.5	3.00	34.98

Assay results for ZARD097-111 are pending. A table listing significant drill assay intersections for the quarter is presented in Appendix 1 – Table 1.

A number of technical studies were initiated at Koka during the period whilst the base line environmental study continued. These new studies include:

- An independent, JORC compliant resource estimate was commissioned during the quarter and is due for release in early 2008. Coffey Mining Pty Ltd will make the estimate based on diamond drilling up to hole ZARD084. All subsequent drill hole data is not part of the study but will be used in the next round of resource estimates.
- A structural report on the geology of the Koka Gold Deposit was completed by Alproject (Bishkek) Consultants in October and this study has formed part of the revised geological model for Koka.
- In addition, a desk-top pilot study, using SpaDis spatial distribution software, was initiated to further identify the structural controls on the Koka gold mineralisation. As a result a renewed phase of surface mapping at Koka was commenced and is ongoing.
- The existing Digital Terrain Model (DTM) survey over Koka is being extended westwards to include the Zara Camp area and the Zara River.
- The Environmental Baseline Study (Global Resources, Eritrea) that commenced in July at Koka, is ongoing and will continue until the third quarter of 2008.

Regional work continued during the quarter and included geological mapping and a topographic survey of the Konate Prospect situated approximately 4km south of the Koka gold deposit.

TANZANIA

Nyanzaga Joint Venture (Gold)

The Nyanzaga Joint Venture 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 (Figure 2).

The JV area covers approximately 500km² of highly prospective geology and Sub-Saharan currently holds a 49% interest in the project. BEAL can increase its equity to 70% of Sub-Saharan's interest by free carrying Sub-Saharan to a 'decision to mine' based on a bankable feasibility study. Barrick manage the Joint Venture.

Exploration activity during the quarter comprised drilling of Versatile Time-Domain Electro Magnetic (VTEM) airborne geophysical anomalies at Tusker North and Tusker Southeast, analysis of rock chip assay results and trenching of anomalous (gold) rock chip areas.

Two (2) drill holes for a total of 358 metres were completed into a VTEM anomaly at Tusker North. One drill hole (NYTNRC002) intersected two sulphidic zones, 19m (59-78m) and 30m (141-171m), with up to 10% pyrrhotite, 1-2% pyrite and trace arsenopyrite. The mineralisation is hosted in banded iron formation (BIF). No significant

gold assays were returned.

Four (4) drill holes for a total of 518 metres were completed into a VTEM geophysical anomaly at Tusker Southeast (Wingu Hill). Only one hole (NYTSERC002) returned a significant intersection of 2m @ 2.55 g/t Au. The hole is located proximal to the intersection of an interpreted north-south striking structure and fold nose of a plunging antiform.

Assay results from 15 rock chip samples taken over the Tusker North VTEM geophysical anomaly were received. Four samples returned anomalous gold assays of 0.11 g/t, 0.46 g/t, 0.13 g/t and 0.41 g/t. The results have confirmed the existence of weak mineralisation as identified by previous rock chip samples. A further 53 rock chip samples were collected from Kilimani.

Two trenches were excavated (totalling 147 metres) to test the anomalous gold mineralisation from the rock chip sampling programme. Trench NYTNTR001 intersected 5m @ 0.12 g/t Au, 2m @ 0.14 g/t Au, 7m @ 0.14 g/t Au and 3m @ 0.22 g/t Au. Some assay results are still pending.

The Tusker gold deposit remains at the "indicated/inferred" level with resources totalling 4.5moz of gold grading 1.15g/t from 123Mt of ore (See ASX release 5 September 2006 for details).

Nyakufuru Joint Venture (Gold)

The Nyakufuru Joint Venture is situated approximately 150km south-southwest of Mwanza city (Figure 2). 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.

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.

No field work was completed during the quarter. Assay results for soil samples collected during the April – June quarter have identified a large gold anomaly (200 metres x 800 metres) within the central Mwagi Magi project area that requires follow up work.

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 (Figure 2). Resolute is the manager of the Joint Venture.

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.

Regional 1km x 1km soil sampling over the Kahama JV tenements commenced during November. A total of 289 samples have been collected to date and sent to ALS Laboratories for multi-element analysis.

Soil geochemical sampling was carried out in September over the Mwanzwilo Prospect (PL2389/2003) and a smaller anomaly located about 3km to the west of Mwanzwilo. Assay results are pending.

Soil sampling was carried out on PL2380/2003 at the Malunde Prospect and over a second prospect area approximately 3.5km to the SSE (IG2-01). Assay results are awaited.

Lake Victoria Joint Venture (Gold)

The Lake Victoria Joint Venture covers two separate project areas, Mabale Hills and Nyamirembe. Joint venture partner Currie Rose Resources Inc (TSX-V) (Currie) has earned a 40% interest in the venture and can increase its interest in these project areas to 70% by completing a bankable feasibility study on either of the projects. Sub-Sahara is 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 Tanzania (Figure 2).

The drill programme at Mabale Hills Project that commenced in August was completed during the quarter and all assays have been returned.

The drill programme, totalling 14 holes for 2,125.5 metres, was designed to test up and down dip extensions to the known mineralisation (MBNRD037, 045, 046, 047, 048 and MBNR042, 043, 044) and was successful in extending the vertical depth of gold mineralisation to over 200 metres.

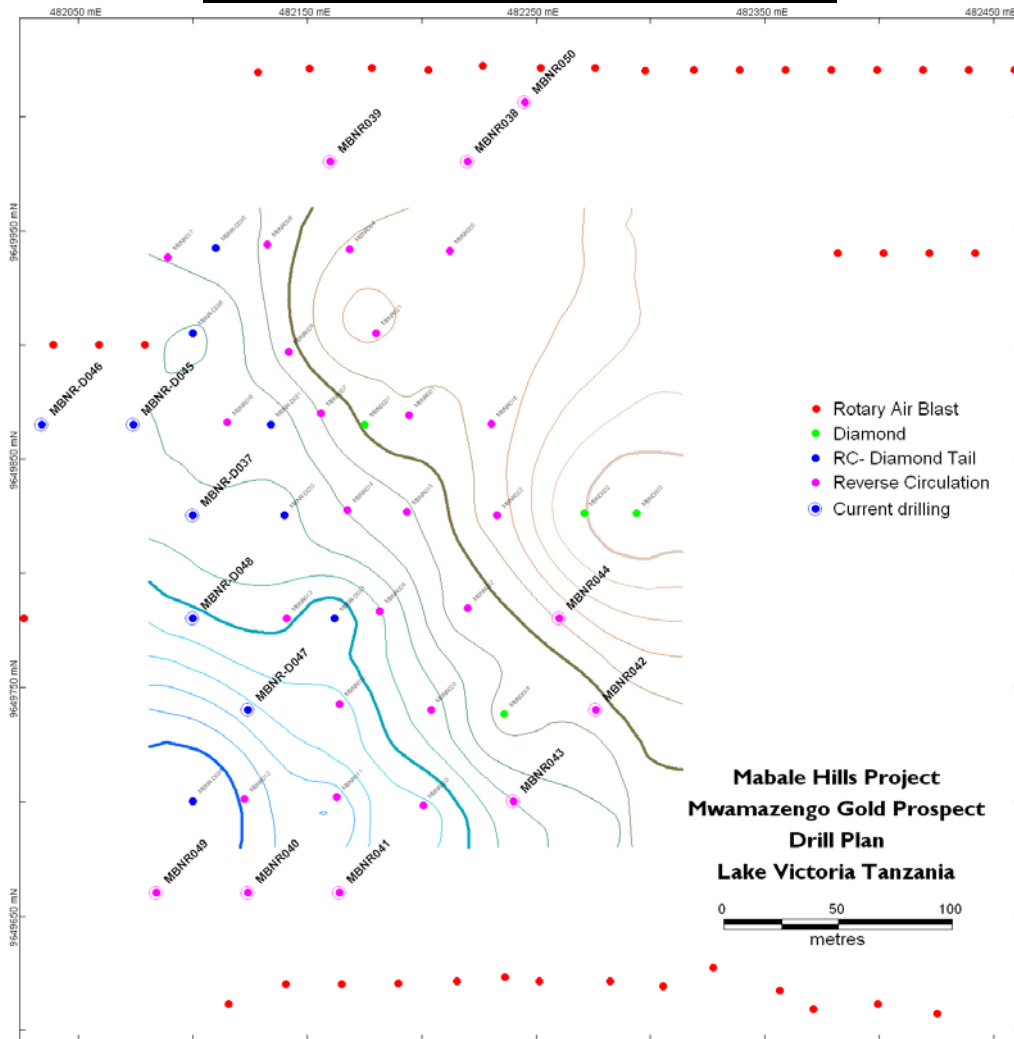
Some drill holes were also designed to test for a possible northeast (MBNR038, 039 and 050) and southerly strike extension (MBNR040, 041 and 049) to the gold mineralisation. Only minor mineralisation was intercepted in holes MBNR038, 039 and 040. The southern traverse of drill holes was not considered definitive as hole MBNR049 failed to reach its target depth due to drill rig. The current strike extent of known gold mineralisation is 320m.

The latest significant gold assays results from the drilling at Mwamazengo Prospect are given in Appendix 1 – Table 2.

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A geophysical survey totalling 43 line kms of Induced polarised/Resistivity geophysics was completed at Mwamazengo prospect during the quarter. The programme was designed to help identify new zones for drill testing and to assist with the interpretation of strike extensions to the areas of known gold mineralization. Interpretation of the data is under way.

Drill location plan - Mwamazengo Prospect



Nyamirembe Project

The Nyamirembe project area lies west of the known western limit of the Geita greenstone belt in Tanzania (Figure 2). The main Geita to Biharamulo road runs through the centre of the licence.

No field work was completed during the quarter. Sub Sahara expects to advance this project during 2008.

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Western Rift Joint Venture (Nickel, PGE, Gold & Uranium)

The Western Rift joint venture is situated in western Tanzania and covers approximately 12,000km of the highly prospective Tanganyika mobile belt that hosts a number of commodities and a number of growing projects including the world class Kabanga nickel discovery and the Mibango PGE discovery (Figure 2). Under the terms of the agreement, Sub-Sahara holds a 30% interest in the Joint Venture and can earn up to a 70% interest by completing a feasibility study.

No work was carried out during the quarter and the project is currently under review.

Madaba - Mkuju Joint Venture (Uranium)

Sub-Sahara has a 15% contributing interest in the Madaba-Mkuju project situated 225km south-east of Dar es Salaam (Figure 2). The project area covers 9,689km² and the 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 form part of the Luwegu-Selous Basin.

Sub Sahara has entered into a Joint venture with unlisted Canadian company Tanganyika Uranium Corp. and 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 Joint Venture commitments.

No field work was completed during the quarter.

AUSTRALIA

Duketon Project – (Gold)

The Duketon project covers seven (7) Mining Lease applications near Mt Maiden situated 120km north of Laverton in Western Australia. No field work was conducted in the area pending grant of the mining lease applications.

EXPENDITURE

During the quarter, Sub-Sahara spent A\$2.39million on exploration and acquisition activities.

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

M.R. Griffiths, Managing Director

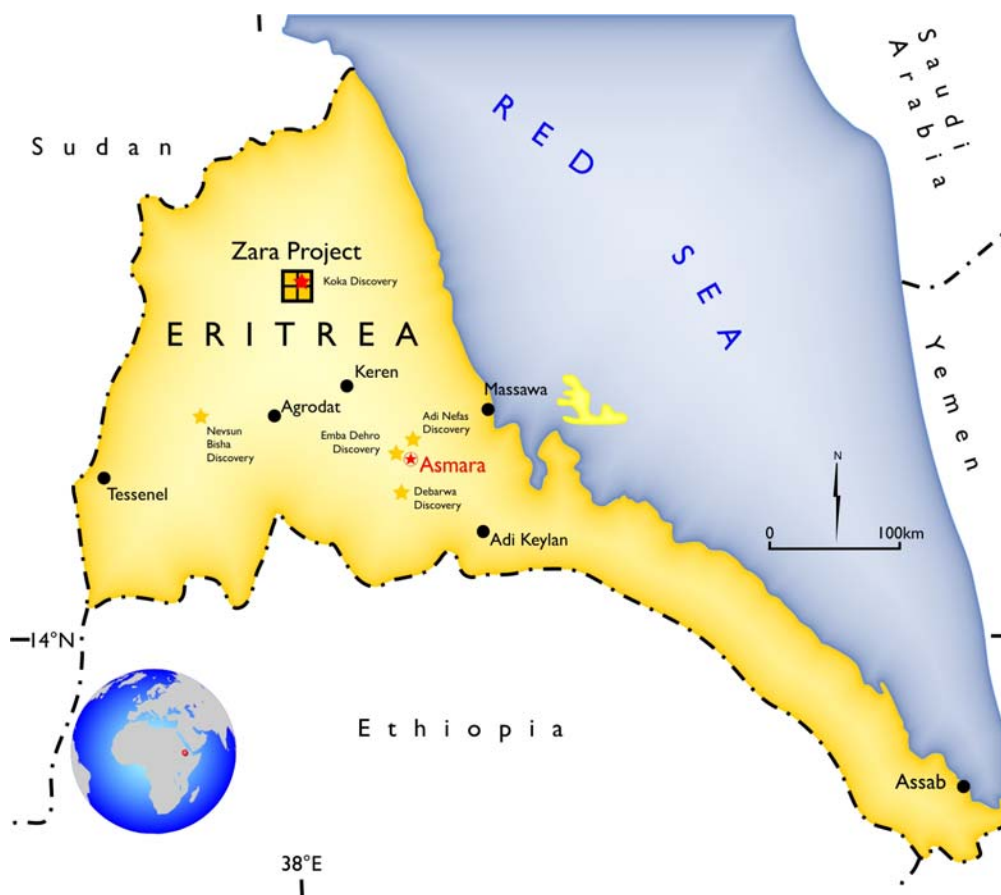
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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr M R Griffiths, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Griffiths is a full-time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

Figure 1: Location of Sub-Sahara Resources Zara Project, Eritrea, Africa



Appendix 1

Table 1: ZARA JV - Significant Diamond Drill Assay Intercepts (Koka Prospect)

Hole	Depth (m)	UTM North	UTM East	Azimuth	Dip°	From (m)	To (m)	Interval (m)	Gold (g/t)						
ZARD069	160.30	1824351	390225	102	-53	63	75	12	4.79						
						108	109	1	4.23						
						112	113	1	15.60						
						121	126	5	2.26						
						148	159	11	172.95						
ZARD071	140.70	1824081	390166	102	-52	98	99	1	2.56						
						114	115	1	2.97						
						123	124	1	8.71						
						130	134	4	41.62						
ZARD072	125.10	1,824,509	390,259	102	-50	9	11	2	7.00						
						24	25	1	10.29						
ZARD073	154.00	1,824,431	390,241	102	-55	26	28	2	3.98						
						31	33	2	3.75						
						42	43	1	2.18						
						52	59	7	5.09						
						62	65	3	16.30						
						73	86	13	2.86						
						90	95	5	1.77						
ZARD074	151.90	1,824,522	390,201	102	-55	105	108	3	49.05						
						117	118	1	2.53						
						124	125	1	3.84						
						ZARD076	72.75	1,824,514	390,239	102	-52	50	56	6	8.83
						61						63	2	28.36	
ZARD077	102.60	1,824,036	390,196	102	-50	56	57	1	2.36						
ZARD078	103.40	1,824,558	390,227	102	-50	60	62	2	5.39						
						73	75	2	3.13						
						78	79	1	5.40						
ZARD079	90.60	1,824,072	390,205	102	-50	44.9	55	9.1	5.35						
						60	61	1	10.98						
						66	72	6	4.02						
						75	76	1	78.19						
ZARD080	152.65	1,824,198	390,189	102	-51	106	109	3	18.21						
						135	136	1	9.18						
						148	149	1	3.11						
ZARD081	96.90	1,824,110	390,217	102	-50	37	47	10	76.82						
						52	61	9	3.86						
						65	69	4	28.71						
						80	84	4	7.06						
ZARD082	80.00	1,824,553	390,247	102	-50	21	23	2	3.55						
ZARD083	115.00	1,824,190	390,226	102	-52	24	30	6	4.40						
						38	44	6	69.5						
						48	49	1	76.82						
						55	60	5	3.36						

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						71	75	4	11.03
						94	95	1	3.91
ZARD084	155.25	1,824,160	390,181	102	-52	96	102	6	17.46
						107	110	3	5.55
						124	125	1	5.37
						140	144	4	15.32
ZARD085	129.00	1,824,310	390,255	102	-50	10	14	4	20.55
						21	23	2	8.69
						37	47	10	6.45
						53	54	1	4.06
						70	73	3	11.30
ZARD086	247.50	1,824,449	390158	102	-52	141	145	4	5.50
						177	180	3	1.90
ZARD088	105.00	1,824,229	390,240	102	-50	9	12	3	1.31
						17	22	5	7.75
						33	34	1	4.55
						41	42	1	4.55
						52	58	6	89.62
						81	83	2	2.66
						88	89	1	16.01
ZARD089	117.50	1,824,266	390,244	102	-50	14	15	1	4.24
						18	20	2	13.81
						24	25	1	3.17
						36	39	3	5.88
						45	46	1	3.77
						56	57	1	11.33
						78	80	2	7.84
						86	87	1	2.36
						92	93	1	2.90
ZARD090	17.00	1,824,386	390,268	102	-50	0	3	3	1.38
ZARD091	30.00	1,824,384	390,272	102	-50	22.5	29	6.5	7.81
ZARD092	129.60	1,824,347	390,268	102	-50	10	12	2	36.34
						29	30	1.00	24.18
ZARD094	90.60	1,824,381	390,287	102	-50	43	44	1.00	23.15
ZARD095	122.75	1,824,384	390,265	102	-50	0	5.5	5.5	3.02
						8.5	11.5	3.00	34.98
						41	42	1.00	7.5

Note: The metres quoted are down-hole metres and the gold grades are uncut with up to 2m of internal dilution (<0.25g/t gold). All samples are prepared at the Africa Horn Laboratory in Asmara, Eritrea and then analysed by Genalysis Laboratories in Perth, Western Australia. All samples are diamond drill core.

Table 2: Lake Victoria JV - Significant Drill Assay Intercepts (Mwamazengo Prospect)

Hole	Depth (m)	UTM North	UTM East	Azimuth	Dip°	From (m)	To (m)	Interval (m)	Gold (g/t)
MBNR-D037	198.50	9,649,825	482,100	90	-55	92	94	2	7.33
MBNR-D037						192	196	4	7.46
MBNR-038	120.00	9,649,980	482,220	90	-55	90	91	1	2.15
MBNR-039	126.00	9,649,980	482,160	90	-55	57	58	1	2.43
MBNR-039						99	101	2	3.23
MBNR-040	120.00	9,649,660	482,124	90	-55	102	103	1	1.07
MBNR-042	60.00	9,649,740	482,276	90	-55	39	45	6	1.18
MBNR-043	60.00	9,649,700	482,240	90	-55	0	9	9	1.99
MBNR-044	120.00	9,649,780	482,260	90	-55	59	62	3	2.54
MBNR-D045	250.50	9,649,865	482,074	90	-55	179	184	5	1.61
MBNR-D046	261.50	9,649,865	482,034	90	-55	227	230	3	6.77
MBNR-D047	235.50	9,649,740	482,124	90	-55	77	80	3	1.61
MBNR-D047						155	160	5	3.89
MBNR-D047						188	189	1	1.75
MBNR-D047						203	205	2	1.88
MBNR-D047						216	217	1	1.98
MBNR-D048	249.50	9,649,780	482,100	90	-55	207	208	1	1.15
MBNR-D048						247	248	1	1.15

Note: The metres quoted are down-hole metres and the gold grades are uncut with up to 2m of internal dilution (<0.25g/t gold). All samples are prepared and assayed at the Humac Laboratory in Mwanza, Tanzania. MBNR indicates a reverse circulation drill hole. MBNR-D indicates a diamond drill hole with a reverse circulation pre-collar.