RESOURCE UPGRADE TO 1 MILLION OUNCES FOR THE KOKA GOLD DEPOSIT, ERITREA

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

Koka Gold Deposit

Dragon Mining Limited in conjunction with Sub-Sahara Resources has upgraded the resources of the previously announced significant gold deposit at the Koka Gold deposit in Eritrea. The resource increasing to 1.04 million ounces of gold (5.13 million tonnes at 6.31g/t gold at a cut off of 1.5g/t) from the previously announced 760,000 ounces of gold.

The Mineral Resource Estimate of the Koka gold deposit is based on drilling completed by Sub-Sahara up to October 2007. Sub-Sahara has completed further diamond drilling on the deposit since that time which is not included in the resource. Full details are outlined in the Sub Sahara announcement which is attached.

The Zara Joint Venture comprises a single license covering an area of 196km² situated in northern Eritrea, approximately 160km northwest of Asmara city. The project is managed by Sub-Sahara with Dragon Mining entitled to a 20% interest and being free carried through to completion of a bankable feasibility study.

For and on behalf of

Dragon Mining Limited

Peter G Cordin
Managing Director
Sub-Sahara Resources NL

ASX Announcement
Release via e-lodgement

25th February 2008

Sub-Sahara delivers 1.04 million oz gold at the Koka Deposit in Eritrea with scope for expansion

Koka Resource Highlights:

- Resource increased to 1.04 million ounces of Gold from 5.13 million tonnes at an average grade of 6.31g/t Au at a cutoff of 1.5 g/t.
- This is an increase of 250,000 ounces of gold to previous resource
- Considering selective mining scenarios, the grade of the deposit has increased to 6.31g/t while tonnage has decreased.
- Mineralisation still open at depth and along strike, with a number of additional high priority targets still to be tested
- Additional infill diamond drilling results since October 2007 are yet to be included in resources estimate

Australian exploration company Sub-Sahara Resources (ASX: SBS) has further defined a “significant” gold deposit at its Koka Gold deposit in Eritrea, East Africa, with the size of the resource increasing to 1.04 million ounces gold from the previously announced 760,000 ounces gold.

The Koka Gold deposit forms part of the Zara Joint Venture with Dragon Mining Limited (DRA) and Africa Wide Resources Limited. Sub Sahara holds 69% interest in the project.

The Mineral Resource Estimate of the Koka gold deposit is based on drilling completed by Sub-Sahara up to October, 2007. Sub-Sahara has completed additional diamond drilling on the deposit since that time, and this drilling has not been included the resource. The Mineral Resource Statement as of February 2008 for in-situ Koka gold mineralisation is tabulated in Table 1.
The independent resource estimate and report was prepared by Coffey Mining Pty Ltd (Coffey) in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code; 2004). Mineralised zones are defined using geological and assay data. Multiple Indicator Kriging (MIK) was used as the estimation method.

Table 1: Koka Gold Deposit – reported above a cutoff of 1.5g/t Gold.

<table>
<thead>
<tr>
<th>Category</th>
<th>Lower Cutoff Grade (g/t)</th>
<th>Tonnes (Mt)</th>
<th>Gold g/t</th>
<th>Metal (Koz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>1.5</td>
<td>4.27</td>
<td>6.31</td>
<td>866</td>
</tr>
<tr>
<td>Inferred</td>
<td>1.5</td>
<td>0.86</td>
<td>6.33</td>
<td>174</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1.5</td>
<td>5.13</td>
<td>6.31</td>
<td>1,040</td>
</tr>
</tbody>
</table>

# From Coffey Report dated 15th February for the Koka Insitu Mineral Resource reported above a nominal 1.5 g/t Au lower cutoff grade. MIK derived SMU model estimates using a nominal 5mE x 10mN x 5mRL SMU dimension to emulate assumed open pit mining selectivity. Bulk density of 2.73t/m³ has been applied to mineralised zones. Gold grade tonnage distributions are subdivided by JORC resource categories. Depletion is to the current natural surface, with no mining assumed to-date. The reported resource is otherwise unconstrained but limited by depth of drilling and model extents.

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

The Coffey estimate is based on a geological interpretation from 79 diamond drill holes (Figure 2), 1,526 bulk density measurements, and 9,036 drill samples. Core recovery averaged 95%. Based on statistical analysis, a high grade cut of 100g/t Au has been applied to 3 metre downhole composites.

Michael Griffiths, Sub-Sahara CEO said this is a stunning result for Sub-Sahara.

“Considering a more selective mining scenario, the grade of the Koka deposit has improved to 6.31g/t from 3.4g/t while tonnage has decreased from May 2007. Moreover, we have added a further 250,000ozs to the total global resource. Infill drilling and extension drilling as well as tighter geological controls have delivered a better defined resource, shifting most of the deposit into the “Indicated” status,” he said.

“But there is still a lot of upside to Koka – with the deposit still open at depth and to the south, and we have a number of high priority targets to test within the 196km² concession.

“Coupling today’s estimate with our earlier metallurgical results that indicate +95% recovery, as well as the fact that this deposit starts from surface, we are
confident that Koka has robust development potential and as such we have commenced planning for the feasibility study.

“Given this excellent resource estimate and the fact that the Eritrean Government recently awarded its first mining licence, confirming its commitment to mining and the mining industry, we are very confident that the Koka Gold Project has the potential for commercial development.”

For and on behalf of
Sub-Sahara Resources NL

M.R. Griffiths
Managing Director

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

Competent Person
The information in this statement that relates to the Mineral Resource is based on information compiled by Bielin Shi, who is a Member of The Australasian Institute of Mining and Metallurgy. Bielin Shi is an employee of Coffey Mining Ltd. Bielin Shi has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and for the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code”. Bielin Shi consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

About the Zara Gold Project
The Zara Joint Venture comprises 4 licenses covering an area of 196km² situated in northern Eritrea, approximately 160km northwest of Asmara city (Figure 1).

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

About Sub-Sahara
Sub-Sahara Resources is an ASX listed company (ASX: SBS) with interests in a number of highly prospective and rapidly expanding African projects, including the Nyanzaga joint venture with Barrick Gold, Lake Victoria joint venture with Currie Rose Resources and the Nyakufuru joint venture with Resolute Mining (all in Tanzania) and the Zara joint venture in Eritrea. The company holds an equity interest in Currie Rose Resources Inc and Sunridge Gold Corp.
Figure 1 – Zara Gold Project – Eritrea
Figure 2 - Koka Drill Hole Location Plan