



Sub-Saharan Resources NL

**ASX ANNOUNCEMENT
30 April 2009**

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SUB-SAHARA RESOURCES QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 March 2009

HIGHLIGHTS:

Corporate

- Sub-Saharan announces Proposed Merger with Chalice Gold Mines Limited: April 2009
- Sub-Saharan Agrees to sell Tanzanian Assets to Western Metals Limited: March 2009

Corporate Activities

Sub-Saharan Resources and Chalice Gold Mines Merger Proposal

On 3 April 2009, Sub-Saharan Resources NL and Chalice Gold Mines Limited (ASX: CHN; "Chalice") announced that they have agreed to merge the two companies by way of a Scheme of Arrangement ("Scheme"). The Merger Implementation Agreement was signed 29th April 2009.

The proposed merger will combine Chalice's strong cash position of over A\$10 million with Sub-Saharan's 69% interest in the high grade Zara Gold Joint Venture in Eritrea, East Africa.

As part of the transaction and subject to the merger, Chalice will acquire Africa Wide Resources Limited ("AWR") 11.12% joint venture interest which will result in the newly merged group holding 80% of the Zara Gold Project with ASX-listed gold producer Dragon Mining Limited owning the remaining 20%.

Key Terms of the Merger

Subject to Sub-Saharan shareholder approval and Court approval, Sub-Saharan shareholders will receive **1 Chalice Share** for every **10.73 Sub-Saharan Shares** and will hold approximately 39% of the merged company.

Other security classes, comprising all partly paid shares and options will be offered Chalice shares based on a valuation calculated in accordance with the Black & Scholes valuation model. No offer will be made for Sub-Sahara's listed options given these options will expire before the merger is completed.

Following completion of the merger, Chalice will have approximately 121.2 million shares on issue and a strong funding position, which will enable acceleration of the exploration and evaluation of the Zara Gold Project in Eritrea as the focus of an international gold development strategy.

Mr Michael Griffiths will be invited to join the Board of Chalice with primary responsibility for advancing the Zara Gold Project, with particular focus on completion of the feasibility study over the next 12 months.

Sale of Tanzanian Assets

During the quarter, Sub-Sahara completed the sale of the Company's Tanzanian assets to Western Metals Limited (ASX: WMT; "WMT") through the sale of a number of Australian and Tanzanian subsidiaries ("Target Companies").

The transaction was completed by the 2nd March 2009 for a total purchase price of \$6.25million.

The key commercial terms of the transaction are as follows:

- WMT has paid a total of A\$900,000 to Sub-Sahara with a further A\$250,000 due by the end of 2009, subject to the final liabilities of the Target Companies being determined.
- A further payment of A\$100,000 will be paid to Sub-Sahara subject to a pre-emptive right with Currie Rose Resources Inc.
- WMT will pay Sub-Sahara A\$5.0m on the commencement of commercial production at the Nyanzaga Gold Project in Tanzania.

EXPLORATION ACTIVITY

ERITREA

Zara Joint Venture (Gold)

The Zara Joint Venture with Dragon Mining Limited and Africa Wide Resources Limited consists of four licenses covering an area totalling 147km² situated in northern Eritrea, approximately 160km northwest of Asmara city (Figure 1).

The Koka Gold deposit which is the key asset of the joint venture contains an “Indicated” and “Inferred” resource of 1.04Mozs gold from 5.13 million tonnes of ore, grading 6.3g/t gold. Initial metallurgical test work indicates +95% recovery after 24 hours gravity/cyanidation.

Sub-Sahara hold a 69% interest in the project and on application for a mining license, the Eritrean Government is entitled to a 10% free carried interest. The Government also has the right, by agreement, to a 30% equity participation interest in any mining project and up to a 5% royalty on mined precious metals.

Work during the quarter included ongoing base line environmental data collection, data base up-dating and validation, structural mapping and preparation for drilling activities scheduled to begin on completion of the proposed merger with Chalice.

TANZANIA

Nyanzaga JV, Lake Victoria JV, Nyakufuru JV, Kahama JV and Madaba/Mkuju JV.

No field activity was completed during the period pending the sale of the Tanzanian assets to Western Metals Limited.

EXPENDITURE

During the quarter, Sub-Sahara spent A\$107,000 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 Map - Zara Project, Eritrea

