

NEWS RELEASE
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SARAMA RESOURCES SECURES NEW EXPLORATION PERMIT AND UPDATES DRILLING PROGRESS IN MALI

PERTH, WESTERN AUSTRALIA. Sarama Resources Limited (“Sarama” or the “Company”) is pleased to provide an update on the Company’s operations in Mali, West Africa.

Highlights

- *Option agreement signed over a new Exploration Permit located in West Mali, bringing Sarama’s total exploration landholding in Mali to over 1,350 km².*
- *7,000m reverse circulation (“RC”) drill program on the Ourounia Project nearing completion, with the majority of assay results anticipated by the end of February 2012.*
- *Permit-scale soil geochemistry programs planned to commence in 2012 for high-priority exploration properties.*
- *Appointment of experienced exploration geologist, Guy Scherrer, to the position of Exploration Manager – Mali.*
- *Sarama’s successful C\$16.7M initial public offering (“IPO”) on the TSX Venture Exchange has placed the Company in a strong position to aggressively explore its landholdings.*

New Exploration Permit Acquired in the Prolific Gold Mining Region of West Mali

Sarama has signed an option agreement with Xinga Gold SARL (the “Vendor”) over the Kandiole Sud Exploration Permit that lies in the Kéniéba Inlier of the southern part of West Mali. The permit is valid for 3 years from 7 October 2011 and is renewable for two subsequent 3-year periods, conditional upon regulatory obligations being met.

The agreement provides for Sarama to acquire a 100% interest in the permit after making staged payments to the Vendor over a 2-year period. Upon these payments being made, the Vendor will be entitled to a 4% net smelter return (“NSR”) on any production sourced from the permit area. The NSR can be purchased at any time by Sarama, at Sarama’s election, for a specified amount.

The Kandiole Sud Permit, covering an area of 110km², is favourably located 10km south-east of Papillon Resources Ltd’s Fekola Gold Project and 6km north of Merrex Gold Inc’s Siribaya Gold Project, which has an indicated mineral resource of 308,200 oz Au @ 2.39g/t and an inferred mineral resource of 69,500 oz Au @ 2.29g/t (Merrex Gold Inc - Investor Presentation, 10 November 2011).

The Kandiole Sud Permit lies to the east of the north-trending Fekola structural corridor and west of the north-north-east-trending Siribaya mineralised structure, and is underlain primarily by Birimian sedimentary rocks and minor tourmaline-bearing granite. Several north-east and north-striking faults, interpreted from a regional geophysical database, appear to trend across the permit.

The southern Kéniéba Inlier is host to numerous large gold deposits, many of which are producing mines. Approximately +19M oz of gold endowment lies within 80km of the Kandiole Sud Permit, within similar Birimian stratigraphy. Notable deposits include Randgold Resources Ltd’s Loulo (measured and indicated mineral resources of 8.8M oz Au and inferred mineral resources of 2.6M oz Au) and Goukoto (measured and indicated mineral resources of 3.6M oz Au and inferred mineral resources of 1.9M oz Au) deposits, as well as Avion Gold Corporation’s Tabakoto deposit group (measured and indicated mineral resources of 1.2M oz Au and inferred mineral resources of 1.1M oz Au).*

Sarama plans to commence permit-scale soil geochemistry survey and prospecting activities on the Kandiole Sud Permit in January 2012.

** Mineral resource data sourced from Randgold Resources Ltd’s Annual Resource and Reserve Declaration, 31 December 2010 and Avion Gold Corporation’s MD&A Report for the Quarter Ending September 2011.*

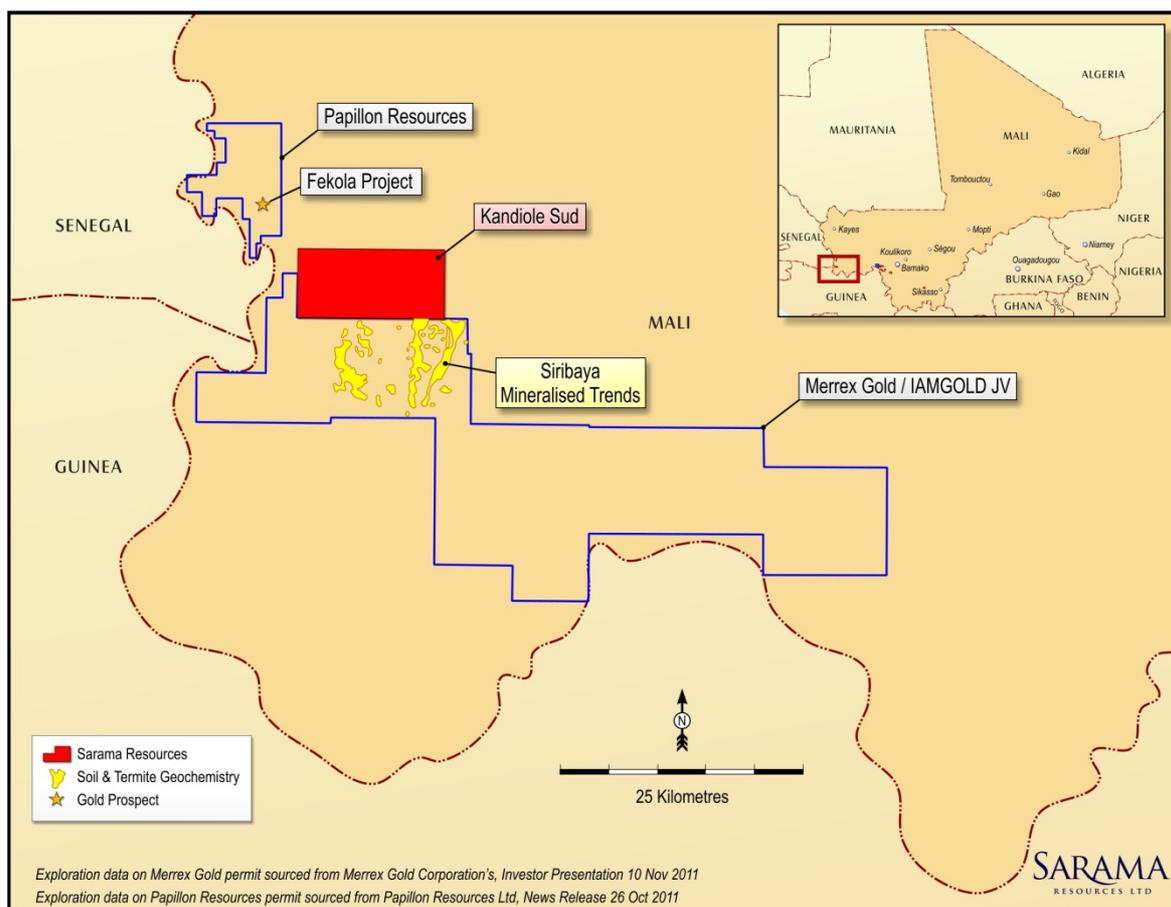


Figure 1: Location of the Sarama's Kandiole Sud Exploration Permit in the Southern Part of West Mali

Drilling at the Ourounia Project, South Mali

The 7,000m RC drill program, targeting the Banifin Structural Zone as it crosses the Ourounia Permit in a north-north-east direction, is nearing completion with approximately 90% of the program accomplished.

The drill program was initiated to investigate several artisanal mining areas of significant length that had uncovered north-northeast-striking mineralised quartz veins and veinlet zones hosted by metasedimentary rocks adjacent to biotite-rich dioritic intrusions.

RC chip logging has indicated the presence of smoky-coloured quartz and occasional sulphides, including arsenopyrite, over downhole intervals up to 6m in length. The majority of assay results are expected by the end of February 2012.

An infill soil geochemistry survey program is planned for December 2011 and January 2012 to complement an earlier permit-scale soil geochemistry survey.

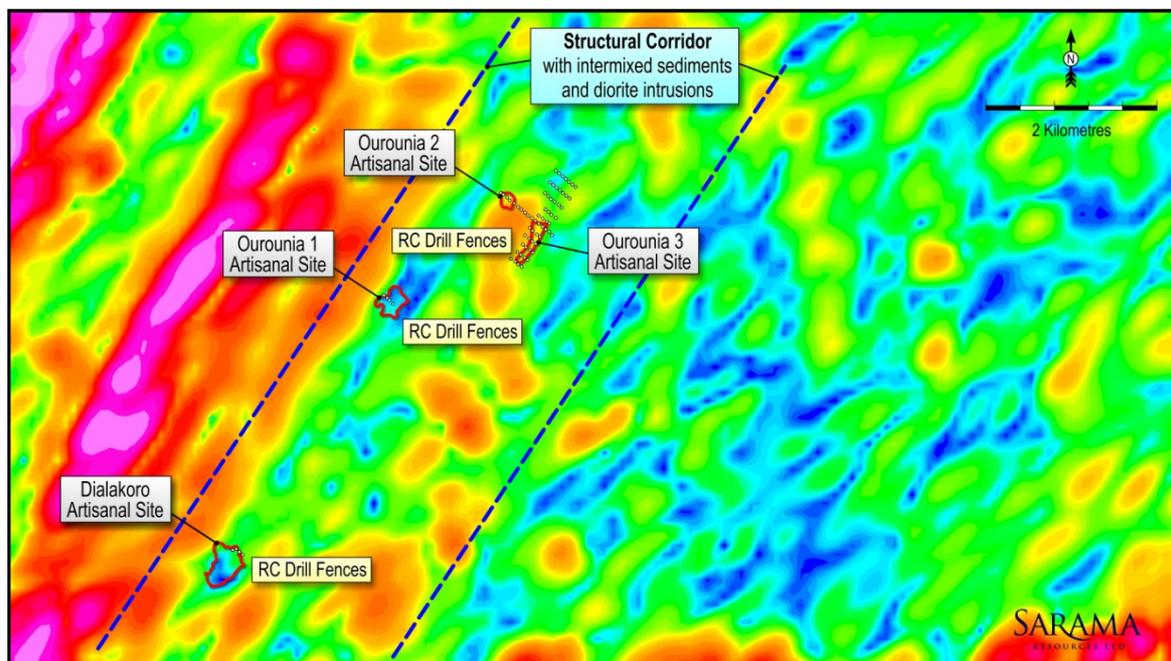


Figure 2: Location of the Ourounia Permit, South Mali, with Drill Hole Locations.

Appointment of Exploration Manager - Mali

In order to progress the Company's business in Mali, Sarama has appointed **Guy Scherrer** to the position of Exploration Manager - Mali. Guy has significant experience working in Archean and Proterozoic greenstone belts in Central and West Africa having worked for Moto Goldmines Ltd in the Democratic Republic of Congo, Elemental Resources Ltd in the Republic of Congo and Guinea, and for Avnel Gold Mining Ltd in Mali.

Guy has been working with Sarama since January 2011 and has supervised all of Sarama's drilling programs to date in Burkina Faso and Mali.

Commenting on Guy's appointment, Sarama's President & CEO, Andrew Dinning noted:

"We are very pleased to promote Guy from within the Sarama exploration team. Our exploration activities in Mali are growing and we will benefit from Guy's comprehensive skill set and his systematic approach to mineral exploration in progressing our geological understanding of the property portfolio and continuing the growth of our business in the country."

For further information on the Company's activities, please contact:

Andrew Dinning or Paul Schmiede

email: info@saramaresources.com

telephone: +61 8 9363 7600

web: www.saramaresources.com

ABOUT SARAMA RESOURCES LTD

Sarama Resources Ltd is a Canadian company with a focus on the exploration and development of gold deposits in West Africa. The board of directors and management team, a majority of whom are founders of the Company, are all seasoned resource industry professionals with extensive experience in the exploration and development of world-class gold projects in Africa.

The Company has built substantial early stage exploration landholdings in prospective and underexplored areas of Burkina Faso (>2,400 km²), Liberia (>2,400 km²) and Mali (>1,350 km²) and is aggressively exploring across the property portfolio.

The South Houndé Project in south-west Burkina Faso is the Company's flagship property and is currently the focus of a drilling program to further test gold-in-soil anomalies extending over 20km in length along trend. Previous confirmatory reverse circulation drilling conducted by Sarama yielded downhole intersections of 13m @ 3.9g/t Au, 14m @ 2.6g/t Au, 11m @ 2.3g/t Au and 8m @ 3.0g/t Au. For full details, refer to the Company's "NI 43-101 Independent Technical Report on the South Houndé Project, Bougouriba and Ioba Provinces, Burkina Faso" which is filed on www.sedar.com.

Following the recent completion of a successful initial public offering on the TSX Venture Exchange (raising gross proceeds of approximately C\$16.7M), Sarama Resources is in a strong financial position to execute its business plan (refer to *News Release, 2 November 2011*).

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Information in this news release that is not a statement of historical fact constitutes forward-looking information. Such forward-looking information includes statements regarding the Company's planned exploration programs, including when results may be available, and ability to earn an interest in the various exploration properties. Actual results, performance or achievements of the Company may vary from the results suggested by such forward-looking statements due to known and unknown risks, uncertainties and other factors. Such factors include, among others, that the business of exploration for gold and other precious minerals involves a high degree of risk and is highly speculative in nature; few properties that are explored are ultimately developed into producing mines; geological factors; the actual results of current and future exploration; changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents.

There can be no assurance that any mineralisation will be discovered, that mineralisation will be proven to be economic, or that future required regulatory licensing or approvals will be obtained. The Company believes that the assumptions and expectations reflected in the forward-looking information are reasonable. Assumptions have been made regarding, among other things, the Company's ability to carry on its exploration activities, the sufficiency of funding, the timely receipt of required approvals, the price of gold and other precious metals, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the company to obtain further financing as and when required and on reasonable terms. Readers should not place undue reliance on forward-looking information.

Sarama does not undertake to update any forward-looking information, except as required by applicable laws.

QUALIFIED PERSON'S STATEMENT

Scientific or technical information in this news release that relates to the Company's exploration activities in Burkina Faso and Mali is based on information compiled or approved by Michel Mercier. Michel Mercier is an employee of Sarama Resources Ltd and is a member in good standing of the Ordre des Géologues du Québec and has sufficient experience which is relevant to the commodity, style of mineralisation under consideration and activity which he is undertaking to qualify as a qualified person under National Instrument 43-101. Michel Mercier consents to the inclusion in this report of the information, in the form and context in which it appears.