SARAMA RESOURCES LTD

NEWS RELEASE **TSX-V Ticker: SWA**
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SARAMA RESOURCES ANNOUNCES $500,000 PRIVATE PLACEMENT

VANCOUVER, CANADA. Sarama Resources Limited ("**Sarama**" or the "**Company**") announces a private placement (the "**Private Placement**") for the issuance of 555,556 units (the "**Units**") at a price of $0.90 per Unit to raise gross proceeds of approximately $500,000. Each Unit will be comprised of one common share of the Company and one-half of one common share purchase warrant (each such whole warrant, a "**Warrant**"). Each Warrant will entitle the holder to purchase one common share of the Company at a price of $1.20 at any time prior to 5:00 p.m. (Toronto time) on October 17, 2014.

The Private Placement will be conducted on a non-brokered basis and is subject to regulatory approval.

The proceeds of the Private Placement will be used principally to fund drilling activities on the Company's South Houndé Project in Burkina Faso, and for general working capital purposes.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from registration is available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons (as defined under Regulation S under the U.S. Securities Act).

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

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

ABOUT SARAMA RESOURCES LTD.

Sarama Resources Ltd is focused 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 seasoned resource industry professionals with extensive experience in the exploration and development of world-class gold projects in Africa.

The South Houndé Project in south-west Burkina Faso is the Company's flagship property and is currently the focus of an aggressive exploration program to test gold-in-soil anomalies located in a 20km-long structural corridor. Recent drilling programs at the South Houndé Project have intersected significant mineralisation in several prospect areas which the Company is actively following up. The Company has built substantial early

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stage exploration landholdings in prospective and underexplored areas of Burkina Faso (3,100 km²), Liberia (>2,400 km²) and Mali (>560 km²) and is aggressively exploring across the property portfolio.

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. 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 that is discovered will be proven to be economic, or that future required regulatory licensing or approvals will be obtained. However, 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, that the Company will not be affected by adverse political events, 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.

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