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SARAMA RESOURCES ANNOUNCES PRIVATE PLACEMENT TO FUND DRILL PROGRAMS IN LIBERIA, MALI AND BURKINA FASO

VANCOUVER, CANADA. Sarama Resources Limited (“Sarama” or the “Company”) is pleased to announce that it is conducting a private placement (the “Private Placement”) to raise gross proceeds of up to \$3,000,000. The Private Placement involves the issuance of up to 20,000,000 units (the “Units”) at a price of \$0.15 per Unit. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant (each, a “Warrant”). Each Warrant will entitle the holder to purchase one common share of the Company for \$0.20 at any time prior to two years after the issue date.

The Private Placement will be conducted on a non-brokered basis to institutional and accredited investors under applicable securities laws and is subject to regulatory approvals including the approval of the TSX Venture Exchange. The Company will close the placement on May 24, 2014 and may pay a finder’s fee to selected parties. The Company expects that approximately one-third of the Private Placement will be subscribed for by existing shareholders. Management and directors of the Company have indicated an intention to subscribe for at least 10% of the Private Placement. There is no minimum amount to be raised in the Private Placement.

The proceeds of the Private Placement will be used principally to fund diamond drilling at the Company’s properties in Liberia, oxide focussed air core drilling at the Company’s South Hounde’ Project in Burkina Faso, an air core scout drilling program at the company’s Kandiole’ Sud permit which is adjacent to Papillion Resources’ Fekola Gold Project in Mali 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 announcement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in this Private Placement 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 (TSX-V: SWA) is a West African focused gold explorer with substantial landholdings in Burkina Faso, Liberia and Mali.

Sarama’s flagship properties are situated within the Company’s South Houndé Project area in south-west Burkina Faso. Located within the prolific Houndé greenstone belt, Sarama’s exploration programs have built on significant early success to deliver a maiden Inferred Mineral Resource estimate of 1.5 Moz gold^{1,2}. Outside of Burkina Faso,

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Sarama is focused on consolidating a number of under-explored landholdings in other emerging and established mining jurisdictions.

Incorporated in 2010, the Company's Board and management team have a proven track record in Africa and a strong history in the discovery and development of large-scale gold deposits. Sarama is well positioned to build on its current success with a strong financial position and a sound exploration strategy across its property portfolio.

1. 29.13 Mt @ 1.6 g/t Au (at a 0.8 g/t Au cut-off)
2. The effective date of the Company's Mineral Resource estimate is September 16, 2013. For further information regarding the Mineral Resource estimate please refer to the technical report titled "NI 43-101 Independent Technical Report, South Houndé Project, Bougouriba and Ioba Provinces, Burkina Faso", dated October 28, 2013. The technical report is available under the Company's profile on SEDAR at www.sedar.com.

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 size of the Private Placement, participation rates of existing shareholders and management in the Private Placement, and the Company's planned use of proceeds from the Private Placement. 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, the number and size of the subscriptions received in the Private Placement, general market conditions, the price of gold and other commodities, that the business of exploration for gold and other precious minerals involves a high degree of risk and is highly speculative in nature; Mineral Resources are not Mineral Reserves, they do not have demonstrated economic viability, and there is no certainty that they can be upgraded to Mineral Reserves through continued exploration; 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.