

NEWS RELEASE
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SARAMA RESOURCES DEFINES 9KM-LONG GOLD-IN-SOIL ANOMALY AT THE CAPE MOUNT PROPERTY IN LIBERIA AND INCREASES ITS INTEREST IN PEDSAM PROPERTIES TO 50%

VANCOUVER, CANADA. Sarama Resources Limited (“Sarama” or the “Company”) is pleased to report that a 9km-long gold-in-soil anomaly, proximal to the 1.7 million ounce resource New Liberty Gold Project, has been defined by geochemical surveys at the Cape Mount exploration property (“Cape Mount”) in western Liberia. Sarama has also increased its interest in the Pedsam properties in Liberia to 50% after achieving the required earn-in milestones.

Highlights

- *A 9km-long gold-in-soil anomaly has been defined by a geochemical survey on the southern portion of the Cape Mount exploration property.*
- *The anomalous zone is coincident with a major geological feature identified by a detailed airborne geophysical survey in an area that hosts extensive artisanal and small-scale gold mining activity.*
- *The presence of the anomalous zone in a geological terrane that is similar to Aureus Mining Inc’s 1.7 Moz resource New Liberty Gold Project augers well for Cape Mount to host gold mineralisation of significance.*
- *Sarama increases its interest in the Cape Mount, Gbarpolu and Grand Bassa exploration properties to 50% after achieving earn-in milestones.*

Sarama has received assay results for approximately 75% of a soil geochemical survey it undertook on the 200km² Cape Mount exploration property in late 2011 and 2012.

A principal sample grid spacing of 400m (east-west) x 50m (north-south) was used for the surveys with several areas being sampled at a higher density (200m x 50m spacing) after being identified as high priority targets based on structural setting, airborne geophysical results and prevalence of artisanal mining activity.

The survey identified a 9km-long gold-in-soil anomaly in the southern portion of the property, in an area which hosts artisanal and small-scale gold mining activity (refer Figure 1). The anomalous zone is also co-incident with several geologically prospective features identified by an airborne geophysical survey conducted by the Company in 2012. The location of the Aureus Mining Inc's 1.7 Moz resource New Liberty Gold Project approximately 10km south-east of Cape Mount, and similarities interpreted in the airborne magnetic signatures of the two properties augers well for the potential of Cape Mount to host gold mineralisation of significance.

The anomalous zone is broadly defined by the 95th percentile of returned assays (Au>37ppb). Within this zone, several areas up to approximately 2km in length and 400m in width are defined by elevated gold-in-soil values of Au>89ppb. Approximately 25% of the assay results for the survey are yet to be received by the Company.

Sarama has commenced trenching over selected areas within the identified trend at the Cape Mount property with a view to defining drill targets.

A similar geochemical survey at the 400km² Gbarpolu property was commenced in 2012 and is partially complete with assay results being returned for approximately 20% of the surveyed area.

Whilst only a low proportion of the samples from the Gbarpolu property have been assayed, the results from the southern part of the property identify an area with elevated gold-in-soil content. The spatial distribution of the results received to date for this area is not sufficient to define discrete anomalous zones with certainty, however the Company is encouraged by the early-stage indications that are co-incident with magnetic features identified by the Company's airborne geophysical survey as well as active artisanal gold mining sites.

Sarama expects the balance of assay results for both properties to be returned over the coming months and plans to re-commence fieldwork in the upcoming exploration season, with an initial focus on the major anomalous zones identified to date.

Acquisition of 50% Interest in PedSam Mining Limited (Liberia)

Pursuant to an earn-in agreement (the "**Agreement**") between Sarama and Pedra Mining AS (Norway) ("**Pedra**"), Sarama is pleased to report that it has increased its interest by a further 30%, for an aggregate 50% interest, in PedSam Mining Limited ("**PedSam**").

PedSam is a Liberian entity that is managed by Sarama which has title to the three exploration licences that are subject to the Agreement. The licences are located in Grand Cape Mount, Gbarpolu and Grand Bassa Counties and total approximately 1,200km² in area.

The 50% earn-in milestone was achieved by Sarama having incurred US\$1,000,000 in eligible expenditures across the three exploration licences. Pedra currently holds the remaining 50% interest in PedSam, and under the Agreement, Sarama has the right to earn a 90% interest in PedSam, with the ability to acquire 100% of PedSam subject to certain conditions being met.

Sarama expects to increase its interest in PedSam to 65% by the end of 2012, subject to achieving prescribed earn-in milestones.

Sarama's President and CEO, Andrew Dinning commented:

"We are very encouraged by the early results of these geochemical surveys, which the airborne geophysical surveys conducted over the last 12 months have helped us target. The presence of artisanal and small-scale gold mining activity in areas proximal to the anomalies, and the various geophysical similarities of the anomaly on the Cape Mount property to those at the New Liberty deposit give confidence in the prospectivity of our properties."

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 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 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 stage exploration landholdings in prospective and underexplored areas of Burkina Faso (>2,800 km²), Liberia (>2,400 km²) and Mali (>1,200 km²) and is aggressively exploring across the property portfolio.

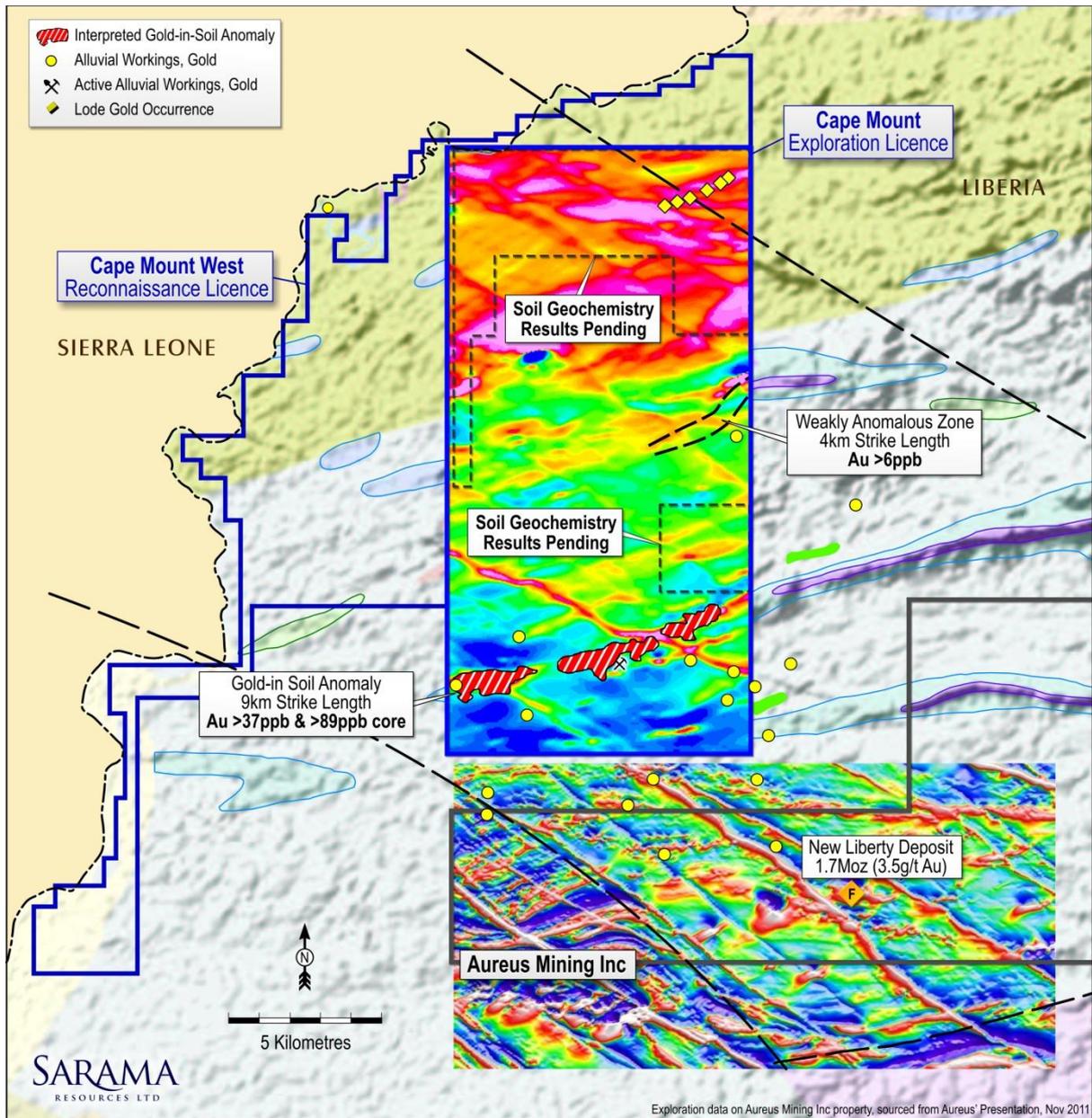


Figure 1: Geochemical Anomalies Superimposed on Magnetic Image - Cape Mount Property

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 when the Company expects to increase its interest in the PedSam 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 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.

NOTES – SOIL GEOCHEMISTRY

Soil geochemistry results are reported as processed data for a population of raw assay results. The effects of mechanical and chemical concentration, weathering, and the topographical and vegetative settings have not been presented and therefore results reflect a first-pass exploration phase. No top-cuts were applied to assay grades.

Sarama undertakes geological sampling and assaying in accordance with its QA/QC program which includes the use of certified standard reference materials, uncertified blank reference materials and field duplicates. Gold assay work was undertaken by the SGS S.A. ("SGS") laboratories in Monrovia, Liberia and Tarkwa, Ghana. Assays are determined by aqua regia digest of a 50g charge, followed by solvent extraction and an AAS finish with a 2ppb Au lower detection limit.

Soil samples were collected from holes with a nominal diameter of 200mm which were manually excavated to a depth of approximately 400-500mm. Holes were spaced on a regular grid measuring 400m (east-west) x 50m north-south), or 200m (east-west) x 50m (north-south) where higher priority targets were identified. Field samples of 2-3kg were collected from each hole, after which a sub-sample was produced by sieving for assaying.

The gold-in-soil anomaly represented for the Cape Mount property were delineated using the 95th percentile of the samples' Au grade population (Au >37ppb).

QUALIFIED PERSON'S STATEMENT

Scientific or technical information in this news release that relates to the Company's exploration activities in Liberia is based on information compiled or approved by John Mpambije. John Mpambije is an employee of Sarama Resources Ltd and is a member in good standing of the Australasian Institute of Mining and Metallurgy 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. John Mpambije consents to the inclusion in this report of the information, in the form and context in which it appears.