

NEWS RELEASE
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SARAMA RESOURCES COMPLETES 35,000M RC AND 11,000M DIAMOND DRILL PROGRAMS AT ITS SOUTH HOUNDÉ PROJECT IN BURKINA FASO

PERTH, WESTERN AUSTRALIA. Sarama Resources Limited (“Sarama” or the “Company”) is pleased to report that it has concluded its planned, and significantly expanded, drill programs in Burkina Faso, West Africa.

The bulk of the drilling was undertaken in the first half of 2012 and was focussed on the Company’s South Houndé Project in the south-west of Burkina Faso where it holds exploration rights to approximately 1,600km² of prospective ground on the Houndé and Boromo greenstone belts.

Sarama commenced an 11,000m reverse-circulation (“RC”) drill program on the Tankoro permit in January 2012, which was expanded to 24,000m following excellent results returned early in the program. The additional drilling focused on infill and extensional targets at the MM Prospect, as well as scout drilling in other areas within the Tankoro Structural Corridor. A further 11,000m of RC scout drilling was undertaken on other permits within the South Houndé Project that contain kilometre-scale gold-in-soil anomalies.

Following the success of the RC drill program, a diamond drill rig was mobilised in February 2012 for an initial 2,800m program at the MM Prospect. The scope of this program was increased to 11,000m following the return of excellent initial results.

In addition, a 14,000m rotary-air-blast (“RAB”) drill program was completed across numerous gold-in-soil anomalies within a 5km radius of the MM Prospect.

Sarama’s President and CEO, Andrew Dinning commented:

“We are very pleased to have accomplished such a large volume of work this season with our Burkina Faso team. In addition to the drilling activity, we have completed extensive soil geochemistry surveys across our portfolio of exploration properties in Burkina Faso and have numerous anomalies that require further investigation as a result. We look forward to receiving the remaining drill assays in the coming months in order to plan our next round of exploration activities at the South Houndé Project.”

Although the Company is using four independently operated assay laboratories in West Africa to process the samples, there is a backlog of approximately 3,000 diamond drill core samples, 6,000 RC samples and 5,000 RAB samples are yet to be assayed, which is an industry-wide issue.

Sarama has been able to manage its operations around this persistent backlog, and will continue to carefully monitor the throughput of these laboratories. The backlog is expected to reduce steadily over the coming months and the Company will provide updates as and when results come to hand.

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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 a drilling program to further test gold-in-soil anomalies located in a 20km structural corridor. The Company has built substantial early stage exploration landholdings in prospective and underexplored areas of Burkina Faso (>2,700 km²), Liberia (>2,400 km²) and Mali (>1,200 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, including when results may be available. 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's operations will not be affected by any 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.