

NEWS RELEASE
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SARAMA RESOURCES EXTENDS MM PROSPECT STRIKE LENGTH BY 25% TO 1.9KM

VANCOUVER, CANADA. Sarama Resources Limited (“Sarama” or the “Company”) is pleased to report that recent reverse-circulation (“RC”) and diamond drilling at the MM Prospect at its South Houndé Project in south-western Burkina Faso has extended the strike length of mineralisation by 25% to a total of 1.9km and confirmed previous high-grade intersections in the south of the mineralised zone.

Highlights

- *Strike length of the MM mineralisation system has been increased to 1.9km.*
- *Infill RC and diamond drilling confirms continuity of major mineralised lenses within the MM system as well as the presence of a broad high-grade zone in the south.*
- *Downhole intersection highlights include:*

<i>DDH019</i>	<i>5.3m @ 5.18 g/t Au</i>	<i>from 291.3m</i>	<i>DDH</i>	<i>including 2.3m @ 10.68 g/t Au</i>
<i>DDH045*</i>	<i>15.5m @ 6.61 g/t Au</i>	<i>from 176.5m</i>	<i>DDH</i>	
<i>DDH005RE1</i>	<i>6.5m @ 2.93 g/t Au</i>	<i>from 225.5m</i>	<i>DDH</i>	<i>including 2.5m @ 5.57 g/t Au</i>
<i>DDH050</i>	<i>19.1m @ 4.06 g/t Au</i>	<i>from 263.5m</i>	<i>DDH</i>	<i>including 2.5m @ 17.42 g/t Au</i>
<i>FRC612</i>	<i>11.0m @ 2.70 g/t Au</i>	<i>from 128.0m</i>	<i>RC</i>	<i>including 6.0m @ 4.65 g/t Au</i>
<i>FRC613</i>	<i>18.0m @ 2.09 g/t Au</i>	<i>from 196.5m</i>	<i>DDH</i>	
<i>FRC614</i>	<i>15.5m @ 2.79 g/t Au</i>	<i>from 101.0m</i>	<i>DDH</i>	
<i>FRC616</i>	<i>14.0m @ 5.71 g/t Au</i>	<i>from 180.0m</i>	<i>DDH</i>	<i>including 6.1m @ 12.02 g/t Au</i>

** Note: Hole was reported previously as ending in mineralisation – the listing is a composite of the new extended intersection and previously reported intersection.*

- *Potential remains for further extensions along strike and across the stacked-lode system.*

Sarama has received assay results from recent RC and diamond drilling programs at the MM Prospect which is situated on the Tankoro exploration property within the Company's South Houndé Project. The infill and extensional programs commenced in October 2012 and results for an initial 4,500m RC (35 holes, including 11 pre-collars) and 2,800m (23 holes) diamond drilling are listed in Appendices A and B respectively.

The extensional program was designed to test for strike and down-dip extensions around the southern extent of the mineralised system and also strike and down-dip extensions of other minor lodes within the central part of the system that contained significant intersections returned from drilling earlier in 2012. This program successfully intersected the targeted mineralised units, leading to a 25% increase in strike length of the MM system to 1.9km (refer Figure 1).

Holes in the southern extension area were drilled to a vertical depth of 100-120m along 100-200m spaced drill lines, with intersections including **7m @ 2.14 g/t Au, 15m @ 1.36 g/t Au and 8m @ 1.38 g/t Au** being returned. Several broad, low-grade intersections >20m in thickness were also returned, potentially indicating the presence of shoot controls on mineralisation. A down-dip extension of mineralisation to 200-230m vertical depth was achieved by the program in the south of the system with intersections including **19.1m @ 4.06 g/t Au, 18.0m @ 2.09 g/t Au and 13.5m @ 1.42 g/t Au** being returned.

Extensional drilling of minor lodes in the central area returned intersections including **5.3m @ 5.18 g/t Au, 6.5m @ 2.93 g/t Au and 11.0m @ 2.70 g/t Au**.

The infill drill program targeted an area of high-grade mineralisation located in the south of the mineralised system. The southern area has consistently returned high-grade intersections over several drill campaigns conducted since May 2011 and the recent infill drilling was designed to provide additional information on the spatial extent and directional controls on the high-grade mineralisation. Intersections returned include **14.0m @ 5.71 g/t Au, 15.5m @ 2.79 g/t Au, 15.5m @ 6.61 g/t Au* and 16.0m @ 1.63 g/t Au**. These results are aligned with previous drilling in the area and notably define the high-grade (+5g/t Au) zone along a strike length of approximately 250m.

Sarama is continuing the drill programs at the MM Prospect focussing on areas where the mineralised zones are most likely to extend along strike and/or dip and expects to announce a maiden resource estimate later in 2013. Regional exploration on the Tankoro property is ongoing, with particular emphasis on following-up targets proximal to the MM Prospect.

** Note: This hole (DDH045) was reported previously as ending in mineralisation – the listing above is a composite of the new extended intersection and previously reported intersection.*

Sarama's President and CEO, Andrew Dinning commented:

"We are very pleased with these results which continue to demonstrate a significant mineralised system at the MM Prospect. The confirmation of the high-grade zone in the south is particularly encouraging and, when viewed in combination with the Company's regional exploration results, highlights the potential for the Tankoro Structural Corridor to host multiple economic zones."

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

Andrew Dinning or Paul Schmiede

email: info@saramaresources.com

telephone: +61 8 9363 7600

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 increase the size of its maiden discovery and to test gold-in-soil anomalies located in a 30km-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 (3,100 km²), Liberia (>2,400 km²) and Mali (>560 km²) and is aggressively exploring across the property portfolio.

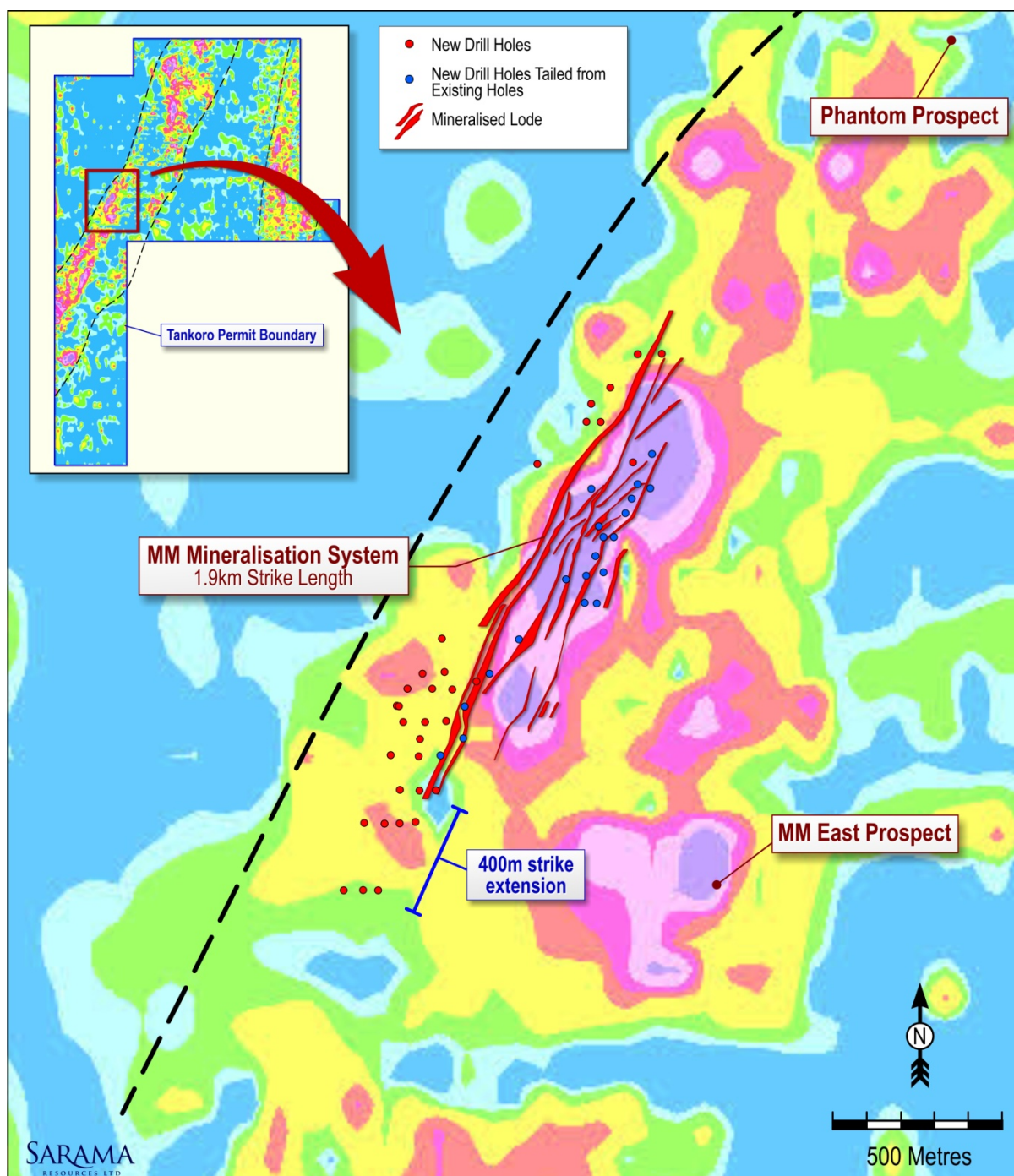


Figure 1: Recent Drilling on MM Prospect Showing Strike Length Extension

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.

NOTES –DRILLING

Drilling results are quoted as downhole intersections. True mineralisation width is approximately 70% to 80% of intersection length for holes drilled on east-west sections, dipping at -50° to -55° and intersecting the NNE striking lenses.

The reported composites for RC and diamond drilling were determined using a cut-off grade of 0.30g/t Au to select significant and anomalous intersections, with a maximum of 2m internal dilution being incorporated into the composite where appropriate. No top-cuts were applied to assay grades. Isolated mineralised intersections less than 2m in length have not been reported.

For RC and diamond drilling, Sarama undertakes geological sampling and assay in accordance with its QA/QC program which includes the use of certified reference materials and duplicates. No duplicates were taken for the diamond drilling program.

Gold assays for the RC and diamond drilling were undertaken by the SGS S.A. ("SGS") laboratory in Morila, Mali and by the ALS Group laboratory in Ouagadougou, Burkina Faso. Assays are determined by fire assay methods using a 50 gram charge, lead collection and an AAS finish with a 0.01g/t Au lower detection limit.

RC drilling was generally designed using west-east oriented holes, dipping at -50° to -55° to the east, approximately 130m in length. Holes were spaced approximately 40-60m apart along the drill lines. RC drill cuttings were sampled over regular 1m intervals.

Diamond drilling was generally designed using west-east oriented holes, dipping at -50° to -55° to the east, of variable length. Holes were spaced approximately 40-60m apart along the drill lines. Diamond core was logged and sampled according to geological intervals. Samples submitted for assay were half core.

QUALIFIED PERSON'S STATEMENT

Scientific or technical information in this news release that relates to the Company's exploration activities in Burkina Faso 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.

APPENDIX A – SIGNIFICANT DIAMOND DRILL RESULTS

Location (Prospect)	BHID	Downhole Intersection	Depth From	Depth To	Dip	Azimuth	Hole Length
MM	DDH005RE1	6.5m @ 2.93 g/t Au <i>including 2.5m @ 5.57 g/t Au</i>	225.5	232.0	-55°	90°	295.5
MM	DDH007RE1	4.5m @ 0.51 g/t Au 5.8m @ 2.22 g/t Au	232.5 246.3	237.0 252.0	-55°	90°	312
MM	DDH019RE1	5.3m @ 5.18 g/t Au <i>including 2.3m @ 10.68 g/t Au</i>	291.3	296.5	-52.4°	91.8°	304.5
MM	DDH045	15.5m @ 6.61 g/t Au	176.5	192.0	-49.5°	92.8°	210
MM	DDH049	16.0m @ 1.63 g/t Au	148.9	164.9	-50.3°	88.8°	206
MM	DDH050	19.1m @ 4.06 g/t Au <i>including 2.5m @ 17.42 g/t Au</i>	263.5	282.6	-49.8°	91.8°	312.5
MM	FRC114RE1	2.0m @ 0.98 g/t Au	158.5	160.5	-55°	90°	167.5
MM	FRC151RE1/2	17.5m @ 0.97 g/t Au* 3.4m @ 2.31 g/t Au 3.0m @ 2.43 g/t Au	104.0 256.2 316.6	121.5 259.6 319.6	-55°	90°	321
MM	FRC152RE2	2.1m @ 1.52 g/t Au	272.8	274.9	-55°	90°	350.5
MM	FRC334RE1	3.5m @ 0.34 g/t Au	110.0	113.5	-55°	90°	156
MM	FRC342RE1	3.1m @ 2.27 g/t Au 11.0m @ 1.99 g/t Au	169.8 175.5	172.8 186.5	-55°	90°	206.5
MM	FRC496RE1	6.9m @ 0.58 g/t Au 12.2m @ 1.91 g/t Au <i>including 3.4m @ 5.53 g/t Au</i>	108.6 118.5	115.5 130.7	-50°	90°	182
MM	FRC497RE1	5.0m @ 1.62 g/t Au	135.5	140.5	-50°	90°	237
MM	FRC498RE1	8.2m @ 1.91 g/t Au 13.0m @ 0.51 g/t Au 2.8m @ 0.37 g/t Au 2.0m @ 1.31 g/t Au	194.0 171.5 218.5 248.7	202.2 184.5 221.3 250.7	-50°	90°	304.5
MM	FRC499RE1	13.0m @ 1.29 g/t Au*	139.0	152.0	-65°	90°	259
MM	FRC507RE1	3.5m @ 1.77 g/t Au 12.5m @ 1.13 g/t Au 6.1m @ 3.99 g/t Au <i>including 3.2m @ 7.0 g/t Au</i>	172.0 178.0 338.0	175.5 190.5 344.1	-50°	90°	371.5
MM	FRC509RE1	4.5m @ 0.68 g/t Au	193.5	198.0	-55°	90°	250
MM	FRC611RE1	13.5m @ 1.42 g/t Au 3.1m @ 0.53 g/t Au	240.5 261.9	254.0 265.0	-50°	90°	287
MM	FRC613RE1	18.0m @ 2.09 g/t Au	196.5	214.5	-50°	90°	241.5
MM	FRC614RE1	15.5m @ 2.79 g/t Au	101.0	116.5	-50°	90°	172
MM	FRC615RE1	14.3m @ 1.00 g/t Au	173.0	187.3	-45°	90°	241
MM	FRC616RE1	14.0m @ 5.71 g/t Au <i>including 6.1m @ 12.02 g/t Au</i>	180.0	194.0	-50°	90°	221
MM	FRC641RE1	19.0m @ 0.88 g/t Au	111.0	130.0	-50°	90°	157.5

Notes:

1. Drillhole identifiers with a prefix of 'FRC' and a suffix of 'RE1' are diamond drill extensions of existing RC drillholes
2. Drillhole identifiers with a prefix of 'FRC' and a suffix of 'RE2' are diamond drill extensions of existing RC & diamond combination drillholes
3. Drillhole identifiers with a prefix of 'DDH' and a suffix of 'REX' are diamond drill extensions of existing diamond drillholes
4. Intersections annotated with * are a composite of RC and DD samples of a single mineralised interval resulting from a diamond drill tail being drilled from an RC hole that ended in mineralisation

APPENDIX B – SIGNIFICANT RC DRILL RESULTS

Location (Prospect)	BHID	Downhole Intersection	Depth From	Depth To	Dip	Azimuth	Hole Length
MM	FRC329A	3.0m @ 2.18 g/t Au	94.0	97.0	-55°	90°	140
MM	FRC492	no significant intersections			-50°	90°	175
MM	FRC493	3.0m @ 0.93 g/t Au	8.0	11.0	-50°	122°	105
		10.0m @ 0.62 g/t Au	59.0	69.0			
		3.0m @ 0.91 g/t Au	81.0	84.0			
MM	FRC495	3.0m @ 1.13 g/t Au	90.0	93.0	-50°	90°	135
		19.0m @ 0.33 g/t Au	109.0	128.0			
MM	FRC500	6.0m @ 1.30 g/t Au	39.0	45.0	-50°	90°	130
MM	FRC501	no significant intersections			-50°	90°	80
MM	FRC502	12.0m @ 1.28 g/t Au	131.0	143.0	-50°	90°	150
MM	FRC503	no significant intersections			-50°	90°	100
MM	FRC504	no significant intersections			-50°	90°	50
MM	FRC506	7.0m @ 1.80 g/t Au	24.0	31.0	-50°	90°	160
		3.0m @ 0.33 g/t Au	104.0	107.0			
		3.0m @ 0.96 g/t Au	121.0	124.0			
		10.0m @ 0.46 g/t Au	138.0	148.0			
		8.0m @ 0.38 g/t Au (EOH)	152.0	160.0			
MM	FRC570	9.0m @ 0.35 g/t Au	65.0	74.0	-55°	90°	117
		9.0m @ 0.78 g/t Au	77.0	86.0			
MM	FRC571	20.0m @ 0.91 g/t Au	3.0	23.0	-55°	90°	103
MM	FRC612	2.0m @ 0.61 g/t Au	2.0	4.0	-50°	90°	180
		2.0m @ 1.27 g/t Au	11.0	13.0			
	FRC612	11.0m @ 2.70 g/t Au	128.0	139.0			
		<i>including 6.0m @ 4.65 g/t Au</i>					
		4.0m @ 0.37 g/t Au	147.0	151.0			
		6.0m @ 1.09 g/t Au	162.0	168.0			
		3.0m @ 0.72 g/t Au	171.0	174.0			
MM	FRC626	21.0m @ 0.97 g/t Au	118.0	139.0	-55°	90°	175
MM	FRC627	2.0m @ 1.63 g/t Au	11.0	13.0	-55°	90°	114
		8.0m @ 1.38 g/t Au	40.0	48.0			
MM	FRC628	7.0m @ 2.14 g/t Au	19.0	26.0	-55°	90°	129
		10.0m @ 1.17 g/t Au	108.0	118.0			
MM	FRC629	2.0m @ 1.48 g/t Au	16.0	18.0	-55°	90°	114
		6.0m @ 0.64 g/t Au	30.0	36.0			
		3.0m @ 0.71 g/t Au	52.0	55.0			
MM	FRC634	6.0m @ 2.87 g/t Au	4.0	10.0	-50°	90°	145
		2.0m @ 1.58 g/t Au	82.0	84.0			
MM	FRC635	8.0m @ 1.06 g/t Au	121.0	129.0	-50°	90°	200
MM	FRC637	no significant intersections			-55°	90°	150
MM	FRC638	3.0m @ 0.64 g/t Au	53.0	56.0	-50°	90°	100
MM	FRC639	15.0m @ 1.36 g/t Au	2.0	17.0	-50°	90°	45
		<i>including 1.0m @ 13.10 g/t Au</i>					
MM	FRC640	19.0m @ 0.76 g/t Au	59.0	78.0	-50°	90°	108
		5.0m @ 0.53 g/t Au	90.0	95.0			
		10.0m @ 0.48 g/t Au (EOH)	98.0	108.0			