SARAMA RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the quarter and period ended September 30, 2015

(November 25, 2015)

(All amounts expressed in United States dollars, unless otherwise indicated)

INTRODUCTION

The following management's discussion and analysis ("**MD&A**") is intended to supplement the unaudited condensed consolidated financial statements of Sarama Resources Ltd. (the "**Company**" or "**Sarama**") and its subsidiaries for the quarter and period ended September 30, 2015.

The condensed consolidated financial statements for the quarter and period ended September 30, 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in United States dollars, unless otherwise stated.

This MD&A is current as at November 25, 2015.

Additional information relating to the Company is available on SEDAR at www.sedar.com under the Company's profile.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's planned exploration and development activities, costs and timing of future exploration, results of future exploration and drilling, timing and receipt of approvals, consents and permits under applicable legislation, and the adequacy of financial resources. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be forward-looking information. Wherever possible, words such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information.

Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation: our limited operating history, negative operating cash flow and need for additional financing; the early stage of our exploration and the fact that we have no mineral reserves; global economic conditions; our dependence on key management and qualified personnel; exploration, development and mining risks; title and property risks; risks related to the presence of artisanal miners; risks associated with operations in Africa; risks associated with maintaining a skilled workforce; risks relating to government regulations; environmental laws, regulations and risks; uncertainty regarding our ability to acquire necessary permits and comply with their terms; infrastructure risks; uninsurable risks; risks regarding our ability to enforce our legal rights; market factors and volatility of commodity prices; fluctuations in foreign exchange rates; competition; acquisition risks; conflicts of interest; price volatility in publicly traded securities; dilution; dividends and "passive foreign investment company" tax consequences to U.S. shareholders.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

Assumptions have been made regarding, among other things: our ability to carry on exploration and development activities, our ability to meet our obligations under our property agreements, the timing and results of drilling programs, the discovery of mineral resources and mineral reserves on our mineral properties, the timely receipt of required approvals, the price of gold, the costs of operating and exploration expenditures, our ability to operate in a safe, efficient and effective manner and our ability to obtain financing as and when required and on reasonable terms. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may have been used.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. We cannot assure you that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except in accordance with applicable securities laws.

OVERVIEW

Sarama is a Canadian-incorporated mineral exploration company whose principal business objective is to explore for and develop gold deposits in West Africa.

The Company was incorporated on April 8, 2010 under the Business Corporations Act (British Columbia). The Company's primary office is located in Perth, Western Australia. The Company's common shares are listed on the TSX Venture Exchange ("**TSXV**"). The Company's symbol is "SWA".

The Company has built substantial early-stage exploration landholdings in prospective and underexplored areas in West Africa. As at September 30, 2015, the Company had exploration landholdings in Burkina Faso (2,775 km^2), Liberia (780 km^2) and Mali (110 km^2).

The Company periodically reviews its portfolio and business strategy to assist in navigating market and geopolitical conditions.

The Company takes a systematic approach to exploration and typically moves through the following steps to achieve its exploration outcomes:

1. regional targeting for permit selection;
2. first-pass broad-based soil sampling;
3. in-fill soil sampling;
4. follow up aircore ("**AC**") and rotary air blast ("**RAB**") drilling;
5. reverse circulation ("**RC**") drilling on identified targets; and
6. diamond drilling on identified targets;

Concurrent with the above steps, the Company may undertake geophysics utilising induced polarisation ("**IP**"), magnetic, gravity and radiometric methods.

THIRD QUARTER HIGHLIGHTS

- *Sarama provided an update on Karankasso JV drilling campaign in Burkina Faso.* Sarama advised that Savary Gold Corp. ("**Savary**"), the operator of the Karankasso Project Joint Venture ("**JV**") between Sarama and Savary, updated the market on August 6, 2015 of results of follow-up drilling on the Kueredougou West Trend.
- *Sarama provided a second update on Karankasso JV drilling campaign in Burkina Faso*. Sarama advised that Savary, the operator of the Karankasso Project Joint Venture between Sarama and Savary, provided an update on August 19, 2015 of follow-up drilling on the Karangosso Zone. The Karangosso Zone is one of several zones defined along the 47km long mineralised corridor situated within the Karankasso Project. Previously reported intercepts include 41 metres at 3.33g/t gold (see Savary Gold news release June 15, 2015).
- *Sarama provides third update on Karankasso JV drilling campaign in Burkina Faso*. Sarama advised that Savary, the operator of the Karankasso Project Joint Venture between Sarama and Savary, provided an update on August 26, 2015 of recent drilling at the Kien East Zone. The Kien East Zone is situated in the northern-most area of a 47 kilometre long mineralised corridor situated in the Karankasso Project.
- *Sarama Resources 'oxide-focused drilling confirms 5.6km-long parallel mineralised horizon at the South Houndé Project in Burkina Faso*. Sarama advised that follow-up drilling at the MC and Kenobi Prospects has returned additional, predominantly oxide gold intersections and confirmed the presence of a semi-continuous eastern mineralised horizon measuring 5.6km in length. The drill program built upon previous exploration

programs at the South Houndé Project and further illustrates the exploration potential of the Tankoro Structural Corridor. A US$3.5M, multi-faceted exploration program is ongoing (90% complete) at the Project which is subject to an earn-in agreement between Sarama and Acacia Mining plc.

- *Sarama provided update on final results from Q2, 2015 Karankasso JV drilling campaign in Burkina Faso.* Sarama advised that Savary, the operator of the Karankasso Project Joint Venture between Sarama and Savary, provided an update on September 3, 2015 of the final drill results from the Q2, 2015 drilling campaign. The drilling was undertaken across five target zones within the 47km-long mineralised corridor situated in the Karankasso Project.
- *Sarama's oxide-focused drilling confirms 10.2km-long mineralised horizon at the South Houndé Project in Burkina Faso.* Sarama advised that follow-up, oxide-focused drilling has extended the strike length of semi-continuous mineralisation along the main horizon at the Project to 10.2km.The drill program built upon previous exploration results and was primarily designed to infill large gaps in drilling along he highly prospective trend. A US$3.5M, multi-faceted exploration program is ongoing (90% complete) at the Project, which is subject to an earn-in agreement between Sarama and Acacia Mining plc.

EVENTS SUBSEQUENT TO BALANCE DATE

On November 3, 2015, the Company entered into an agreement with Aureus Mining Inc ("Aureus"). Aureus will purchase three of the Company's Liberian mineral exploration licences for a consideration of 2.6 million Aureus common shares. Sarama will also retain an uncapped 1% net smelter return royalty on gold produced from the Cape Mount Permit, which is being purchased by the Company from the previous Liberian owner of the permit.

On November 10, 2015, the Company announced that it was conducting a private placement (the "Private Placement"). The Private Placement is anticipated to raise gross proceeds of approximately C$1,000,000 through the issuance of units (the "Units") of the Company at C$0.10 per Unit. Each Unit will be comprised of one common share of the Company and one-half of one common share purchase warrant (each full warrant, a "Warrant"). Each Warrant will permit its holder to purchase one common share of the Company at a price of C$0.15 per common share for a period of 3 years after issuance.

CORPORATE

As at September 30, 2015, the Company had cash and cash equivalents of $850,651 and no debt.

EXPLORATION ACTIVITIES

Burkina Faso

As at September 30, 2015 the Company had interests, directly and indirectly, in properties covering an area of 2,775 km^2.

The primary exploration focus of the Company has been its South Houndé Project which is situated in south-west Burkina Faso near the borders of Ghana and Côte d'Ivoire, 260 km south-west of the national capital of Ouagadougou. The South Houndé Project is located in the Houndé Belt, which hosts Semafo Inc.'s Mana Gold Mine, Endeavour Mining Corp's Houndé Gold Project and Roxgold Inc.'s Yaramoko Gold Project.

On November 27, 2014, the Company signed an earn-in agreement with Acacia, whereby Acacia will have the option to earn up to 70% interest in the Project by satisfying certain conditions over a 4-year earn-in period and then the right to acquire an additional 5% interest, for an aggregate 75% interest in the Project, upon declaration of a mineral reserve of 1.6 million ounces of gold.

During the third quarter, there were no changes to the status of the permits held by the Company in Burkina Faso.

Tankoro Property

Location and Size

The Tankoro property is part of the Company's South Houndé Project and covers an area of 184 km^2.

Permit Status

In early 2011, the Company entered into an option agreement to acquire the Tankoro permit. The Company had the right to earn up to a 100% interest with a trailing 1.5% Net Smelter Return ("**NSR**") royalty, which the Company had an option to acquire for $1 million at any time after the Company has taken ownership of the permit.

On November 2, 2012, the Company exercised its option to acquire ownership of the Tankoro permit. Pursuant to the agreement with the vendor, the vendor retains the right to a 1.5% NSR royalty for any future mineral production from the Property. The Company retains the right to acquire the NSR royalty for $1 million at any time.

On March 23, 2013, the Burkina Faso Ministry of Mines and Energy issued the exploration permit to a Sarama wholly-owned subsidiary. The permit contained no additional conditions and was valid until December 17, 2014.

In the fourth quarter of 2014, the Company commenced the process of renewal of the Tankoro permit for another 3 years. The new permit was issued on September 1, 2015 and, in accordance with the Burkina Faso, regulations resulted in a decrease in the land area of the permit from 250km^2 to 184km^2. The renewal extends period in which the permit is valid until December 17, 2017.

Exploration Update

<u>Historical</u>
<u>2012</u>

In the second quarter of 2012, the Company undertook a 14,000 metre RAB drilling program designed to test gold-in-soil anomalies within a 5 kilometre radius of the MM Prospect. This program provided valuable information for planning future exploration within the 20 kilometre-long Tankoro Structural Corridor.

In the fourth quarter of 2012, a ground-based IP geophysical program was undertaken over the known mineralisation of the MM Prospect. The results showed a reasonable correlation between mineralisation defined by drilling and IP geophysical signatures.

<u>2013</u>

In the first quarter of 2013, the Company completed 4,138 metres of diamond drilling, 12,726 metres of RC drilling and 25,161 metres of AC drilling. The diamond and RC drilling was focused on extensions to mineralisation at the MM Prospect, both along strike and in the footwall and hangingwall lodes. The drilling programs extended the strike length of mineralisation at the MM Prospect by 25% to 1.9 kilometres as well as confirming continuity to a depth of 260 vertical metres. Of note was the definition of a thick (approximately 15m true width), high-grade zone in the south of the mineralised system, which remains open at depth and to the south.

The AC drilling was undertaken to test anomalies identified during the ground-based IP program which occurred in the fourth quarter of 2012 in the Tankoro structural corridor. This drilling confirmed the presence of mineralisation at several prospects which will be further tested with RC drilling.

Following the success of the initial test grid, an expanded IP survey, covering a strike length of 9 kilometres was undertaken to the north and south. The results of this survey have been used successfully to generate drill targets and improve the understanding of the geological setting.

In the second quarter of 2013, the Company completed 1,732 metres of diamond drilling, 6,651 metres of RC drilling and 13,603 metres of aircore drilling. The Company focussed its exploration work on the three main prospects on its Tankoro property, namely, MM, MC and Phantom.

At the MM and Phantom Prospects, infill drilling was undertaken to support and assist with resource definition and preparation of the maiden mineral resource. The Company also commenced drilling an IP target east of the MM Prospect, which following positive drill results, was named the MC Prospect. The MC Prospect was not detected in original soil sampling programs as the area had no gold anomalism due to transported material.

Following the IP survey undertaken in November 2012 and scout AC drilling in the area, numerous targets have been generated and are being systematically followed up with drill programs, the results of which are encouraging.

During the third quarter of 2013 no field activities were undertaken on the Tankoro Property. The Company normally has an annual shutdown for the period from July to September due to the onset of the rainy season in West Africa, which makes field activities less productive.

The focus of the Company during the third quarter was the interpretation of data by the technical team resulting in the Company publishing its maiden Mineral Resource on the Tankoro Property. The Inferred Mineral Resource of 29.13 Mt @ 1.6 g/t Au for 1.5 Moz (@ 0.8 g/t Au cut-off) was published on September 16, 2013 following two years of exploration work. The Mineral Resource extends over a strike length of 5.5 km and spans the MM, MC and Phantom Prospects.

During the fourth quarter of 2013, mapping and a limited amount of trenching activity was undertaken at Tankoro. No drilling activity was undertaken at Tankoro during the fourth quarter.

<u>2014</u>

During the first quarter of 2014, mapping and trenching activity continued at Tankoro. Consistent with the fourth quarter of the previous year, no drilling was undertaken.

During the second quarter of 2014, the Company undertook a 9,000m AC program targeting oxide material with the aim of increasing the oxide resource to a size that may potentially support a heap leach operation on its South Houndé properties. The target area was situated immediately south west of the MM Prospect and extended over 3km in strike length. The drill program defined a significant strike extension to the MM Prospect and further drilling is anticipated to add materially to the existing oxide mineral resource. Multiple oxide targets remain in footwall zones and zones along trend to the north east of the MM Prospect.

There was also a small amount of trenching and fieldwork undertaken in the quarter.

Preliminary metallurgical testwork on mineralisation sourced from the Mineral Resource continued to show excellent oxidation and leaching characteristics and gold recoveries using the BIOX® oxidation route were excellent. Cost estimation work for a BIOX® flow sheet indicates that the cost impact is modest and manageable particularly in context of the head grades being considered in mine concept work.

Preliminary heap leach testwork was conducted on oxide mineralisation during the second quarter. The testwork consisted of percolation and agglomeration scouting phases and minor variability testing. A full column leach was conducted on an oxide composite sample dosed at 10kg/t cement. Results were very encouraging, with a gold extraction of 87.2% achieved for the full column test with low-moderate NaCN consumption of 0.2-0.3kg/t. The testwork indicates that heap leaching is a viable processing alternative for the oxide component of the mineral resource.

The Company undertook limited exploration activity at Tankoro during the second quarter. The Company announced the results of its aircore drilling program at the Obi prospect in the second quarter (Refer news release dated September 9, 2014) with the result being that the Company delineated another 1.8km of gold mineralisation, bringing the total strike length of semi-continuous mineralisation to 7.3km.

During the third quarter of 2014, in respect of the Tankoro property, the Company progressed a comprehensive metallurgical testwork program to examine the amenability and viability of a sulphide-based flotation concentrate to oxidation by both the BIOX® and Albion Process™ technologies. These competing and commercially used technologies are integrated into a conventional gold plant and act as a pre-conditioning stage for a flotation concentrate prior to gold recovery by standard cyanidation.

The testwork has increased confidence in the economic potential of the South Houndé Project and assists early scoping work being used to guide exploration toward achieving a mineral resource base capable of supporting project development.

While the Company fully acknowledges it has yet to define sufficient mineral resources to contemplate the commencement feasibility studies, the confirmation of two alternative processing flowsheets for the fresh mineralisation by the testwork at this early stage is encouraging.

With the finalisation of the Acacia earn-in agreement in November 2014, activity for the month was primarily centred on establishment work to support the commencement of exploration in December. During the fourth quarter the Company completed 3,400m of AC drilling, 940m of RC drilling and 625m of diamond drilling.

2015

During the first quarter, the Company successfully completed an initial program of 7,170m, 2,600m and 4,600m of AC, RC and diamond drilling, respectively, to test:

- high-grade shoot controls at the MM and MC Prospects;
- strike extensions to the current mineral resource, including the Phantom Prospect; and
- new targets to support growth of the Project's oxide mineral resource and to identify additional deeper drilling targets.

The Company also undertook IP geophysical surveys, which included both a gradient-array survey to extend previous IP survey to the north-north-east of the existing mineral resource and a pole-dipole survey to image deeper, sulphide-rich targets at the MM and MC Prospects.

A 9,200 line-km airborne magnetic-radiometric survey was also completed over the entire 760 km^2 Project.

During the second quarter, the Company successfully completed a significant regional and extensional AC drilling program and also a smaller RC and Diamond drilling program to test:

- high-grade shoot extensions and deeper geophysical anomalies at the MM South and MC Prospects;
- strike extensions to the current mineral resource, including the Phantom and Obi Prospects;
- new targets to support growth of the Project's oxide mineral resource and to infill broadly spaced oxide drill fences ; and
- geochemical and geophysical targets within the wider Project area.

Current quarter 2015

Exploration field activities ceased in July with onset the rainy season in Burkina Faso. A significant number of assays were processed through the laboratories in July and early August. Assay results were reviewed and have formed part of the planning of the next phases of drilling.

Other Burkina Faso Properties

In July, the Company undertook trenching activities at its Werinkera property.

Outlook

The Company has a 2,000 metre aircore drilling program and 3,600 metre RC drilling program planned at its Tankoro property in November and December. The Company also plans to carry out a 3,600 metre auger drilling program at its Werinkera property.

Results of these programs will be then analysed and planning for next year's program will commence.

Qualified Person's Statement

Scientific or technical information in this MD&A that relates to the Company's exploration activities in Burkina Faso is based on information compiled or approved by Guy Scherrer. Mr Scherrer is a full time employee of Sarama Resources Ltd and is a member in good standing of the Ordre des Géologues du Québec and has sufficient experience in the commodity, the style of mineralisation under consideration and activities which he is undertaking as a Qualified Person under National Instrument 43-101. Mr Scherrer consents to the inclusion in this MD&A of the information, in the form and context in which it appears.

Scientific or technical information in this MD&A that relates to the preparation of the Company's mineral resource estimate is based on information compiled or approved by Adrian Shepherd. Mr. Shepherd is an employee of Cube Consulting Pty Ltd and is considered to be independent of Sarama Resources Ltd. Mr. Shepherd is a chartered professional 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. Mr. Shepherd consents to the inclusion in this MD&A of the information, in the form and context in which it appears.

Liberia

The Company no longer has any active property interests in Liberia.

Early in the fourth quarter the Company relinquished the Gbharpolu and Grand Bassa permits. In addition, the Company announced on November 3, 2015 that it had agreed with Aureus Mining Inc. that it would sell the Cape Mount, Cape Mount East and Cape Mount West properties for consideration of 2.6 million common shares in Aureus Mining Inc. This agreement is subject to approval from the Ministry of Land, Mines and Energy in Liberia. At the date of this MD&A, this agreement has not reached completion.

Outlook

Upon completion of the Aureus agreement, Sarama will no longer have any property interests in Liberia. Sarama plans to discontinue operations in Liberia.

Mali

The Company has interests in one property covering 110 km^2 in Mali. Mali has experienced various political challenges since 2012 but this has had limited impact on the gold mining industry which has seen ongoing investment in the development and operation of mines.

In 2014, the Company relinquished its office lease in Bamako. All exploration activity and administration is now managed from its Burkina Faso office.

During the third quarter of 2015, no field activities occurred at the Company's property in Mali.

Outlook

The Company is not currently planning any field activities at its property in Mali.

SELECTED QUARTERLY INFORMATION

The following table includes selected financial information for the past three years.

	Quarter ended September 30, 2015 $	Quarter ended September 30, 2014 $	Quarter ended September 30, 2013 $
Total revenue - interest income	$345	$3,498	$12,305
Net income (loss)	($2,544,802)	($286,788)	($258,544)
Basic and diluted earnings (loss) per share (cents)	(2.9c)	(0.4c)	(0.0c)
Total assets	$25,635,163	$29,634,878	$30,124,558
Total liabilities	$373,315	$671,241	$469,356

RESULTS OF OPERATIONS

	Quarter ended September 30, 2015 $	Quarter ended September 30, 2014 $	Nine months ended September 30, 2015 $	Nine months ended September 30, 2014 $
Income				
Interest income	345	3,498	3,047	13,210
Other income	-	1,617	-	18,122
Fair value gain on warrants liability	94,354	426,631	49,946	426,631
Expenses				
Accounting and audit	(9,794)	(20,822)	(71,149)	(92,847)
Salaries	(185,080)	(158,264)	(545,304)	(577,628)
Directors fees	(22,068)	(31,759)	(96,003)	(78,297)
Professional fees	(19,741)	(10,754)	(146,855)	(47,145)
Office and general	(27,212)	(42,695)	(114,881)	(149,845)
Travel	(71,192)	(3,104)	(72,501)	(12,253)
Marketing and investor relations	23,840	(66,744)	(75,184)	(202,264)
Insurance	(5,320)	(31,788)	(13,095)	(58,242)
Total general and administration	(316,857)	(365,930)	(1,134,972)	(1,218,521)
Stock-based compensation	-	(5,369)	(41,322)	(48,242)
Foreign exchange gain/(loss)	(14,131)	(137,060)	(47,905)	(75,741)
Exploration expenditure written off	(2,302,147)	(203,540)	(2,302,147)	(890,045)
Depreciation	(6,656)	(6,635)	(21,665)	(24,315)
Net profit/(loss)	**(2,544,802)**	**(286,788)**	**(3,495,018)**	**(1,798,901)**

Interest income

Interest income is earned on funds held in term deposits denominated in United States dollars, Australian dollars and Canadian dollars. The Company has been holding its cash reserves in United States dollars due to its strength and the weakness of the Australian and Canadian currencies. Whilst this has minimised foreign currency losses, the interest rates on United States dollars have been near zero during the quarter and throughout 2015.

Fair value gain on warrant liability

As part of the equity raisings undertaken by the Company, shareholders will, at times, receive warrants in addition to the shares issued by the Company.

To comply with IFRS, the Company is required to record the full fair value of the warrants at the time of issue as a liability and revalue them to fair value each quarter. Should they be exercised then they would, at that point, be recorded in Share Capital.

At balance date' the Company had 10,496,183 warrants issued which were issued as part of the non-brokered private placement in May and June 2014.

These outstanding warrants are revalued to fair value at the end of each reporting period using the Black-Schöles Option Pricing Model utilising the assumptions disclosed in the consolidated financial statements. For the quarter ended September 30, 2015 the value of these warrants was $49,830 (Dec 31, 2014 $99,776).

Foreign exchange gains and losses

The Company holds cash reserves in Australian Dollars, Canadian Dollars, and United States Dollars, Euros and West African Francs to fund exploration and evaluation activity and pay general and administration costs. The foreign exchange gains and losses disclosed represent fluctuations in the exchange rates of non-United States dollar cash balances.

General and administration

General and administration expenses have decreased by $83,549 to $1,134,972 when compared to the nine months ended September 30, 2014. General and administrative expenses represent the costs incurred in maintaining the administration function in Perth, Western Australia, listing and compliance costs and investor relation costs.

The reduction in the Company's general and administration costs has primarily been due to the reduction in the value of the Australian Dollar ("**$A**") value (when compared to the US dollar). Sarama's general and administration costs are primarily incurred in $A. The average exchange rate for the first half of 2014 was 0.9181 – the average exchange rate for the first half of 2015 was 0.7630, a reduction of 16%.

There was an increase in professional fees for the period when compared to the prior year. This includes a prior year accounting adjustment of approximately $70,000 for costs incurred in 2014.

Stock-based compensation

The Company operates a TSX-V and shareholder-approved stock option plan.

On January 5, 2015 the Company issued 2,330,000 options to directors, executives and employees.

The Company's accounting policy with respect to stock-based compensation is detailed in Note 2 "Significant Accounting Policies" in the Consolidated Financial Statements for the year ended December 31, 2014.

The stock-based compensation costs reflect the calculated value of the option issues mentioned above.

Depreciation

The depreciation charge relates to the assets held at the Perth office. The charge has increased in the quarter in line with the increase in the number of fixed assets in use in the Perth office.

EXPLORATION AND EVALUATION EXPENDITURE

The Company capitalises all costs related to the acquisition, exploration and development of mineral properties until such time as a mineral property is put into commercial production, is sold or becomes impaired as allowed under IFRS 6 "Exploration for and Evaluation of Mineral Resources". The Company has incurred $3,325,754 for the nine months ended September 30, 2015 on exploration and evaluation activities, the costs of which have been largely offset by funding received from Acacia in accordance with the earn-in agreement. The Company has also taken the decision to write off exploration and evaluation expenditure which had been incurred on its Gbarpholu and Grand Bassa permits in Liberia which were relinquished early in October 2015.

SUMMARISED QUARTERLY RESULTS

Summarised quarterly results for the past eight quarters are:

Quarter ended	Interest income $	Net profit/(loss) for the period $	Basic earnings/(loss) per share	Diluted earnings/(loss) per share
September 30, 2015	345	(2,581,622)	(2.9c)	(4.0c)
June 30, 2015	140	(465,603)	(0.5c)	(0.5c)
March 31,2015	2,562	(447,793)	(0.5c)	(0.5c)
December 31, 2014	3,882	(295,780)	(0.3c)	(0.3c)
September 30, 2014	3,498	(286,788)	(0.4c)	(0.4c)
June 30, 2014	3,552	(1,102,885)	(1.5c)	(1.5c)
March 31,2014	6,160	(409,229)	(0.6c)	(0.6c)
December 31, 2013	10,143	(1,040,018)	(1.6c)	(1.6c)
September 30, 2013	12,305	(258,544)	(0.0c)	(0.0c)

The primary driver increase in the net loss has been write-off of exploration and evaluation expenditure relating to the relinquishment of the permits in Liberia mentioned above

If the effect of the write-off is removed, the loss incurred by Sarama each quarter is broadly consistent quarter on quarter. The only other components of the net profit and loss are the general and administrative costs of running the Perth office, foreign exchange gains and losses, stock-compensation costs and depreciation.

LIQUIDITY AND CAPITAL RESOURCES

At this point in time, the Company does not generate cash from mining operations. In order to fund its exploration and administrative activities, the Company is dependent upon raising capital through the issue of shares. The Company continues to believe such financing will be available, as and when required and on acceptable terms but there is no guarantee that is the case.

As at September 30, 2015 the Company had working capital of $709,221. Working capital is defined as current assets less current liabilities.

COMMON SHARE DATA (as at November 25, 2015)

Common shares outstanding	87,152,260
Options issued to directors, executive officers, employees and a consultant	8,267,500
Warrants issued to shareholders and agents	10,496,183
Common shares outstanding assuming exercise of all options and warrants	105,915,943

RISK AND UNCERTAINTIES

The Company's operations and results are subject to a number of different risks at any given time. These risk factors include, but are not limited to:

1. exploration and development risk;
2. market factors and volatility of commodity prices;
3. negative operating cash flow and the need for additional financing;
4. limited operating history;

5. global economic conditions;
6. price volatility in publicly traded securities;
7. title and property risks;
8. dependence on key management and qualified personnel;
9. risks associated with operations in Africa;
10. risks associated with maintaining a skilled workforce;
11. risks relating to government regulations;
12. environmental laws, regulations and risks;
13. uncertainty of acquiring necessary permits and compliance with terms;
14. infrastructure risks;
15. uninsurable risks;
16. enforcement of legal rights;
17. risks relating to the presence of artisanal miners;
18. fluctuations in foreign exchange rates;
19. competition;
20. acquisition risks;
21. conflicts of interest;
22. dilution;
23. dividends;
24. PFIC classification; and
25. pandemic risks.

For a detailed explanation of each of these risks number 1 to 24, please refer to page 15 of the Company's Annual Information Form dated November 21, 2013. The Company's Annual Information Form is published at www.sedar.com.

OFF-BALANCE SHEET TRANSACTIONS

During the quarter ended September 30, 2015, and up to the date of this report, the Company had no off-balance sheet transactions.

CHANGES IN ACCOUNTING POLICIES

There have been no changes to the accounting policies to those detailed in the Consolidated Financial Statements for the year ended December 31, 2014.

RECENT ACCOUNTING PRONOUNCEMENTS

The following pronouncements were issued by the IASB and will be mandatory for accounting periods after December 31, 2014. The pronouncement have been evaluated and are not considered advantageous for early adoption.

IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The Company is assessing the impact of adopting IFRS 9 on its consolidated financial statements which is mandatory for financial years commencing on or after January 1, 2018.

The IASB has issued a new standard (IFRS 15) for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The Company is currently assessing the impact of adopting IFRS 15 on its consolidated financial statements which is mandatory for financial years commencing on or after 1 January 2017.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.