

# **Sarama Resources Ltd**

*(An Exploration Stage Company)*

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the three and six months ended June 30, 2024  
(Unaudited)**

*(Expressed in United States Dollars)*

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## **DIRECTORS**

Simon Jackson (Chairman)  
Andrew Dinning (CEO)  
Adrian Byass (Non-executive Director)  
Steven Zaninovich (Non-executive Director)

## **REGISTERED OFFICE**

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## **LEGAL ADVISORS**

### **Canada**

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Hamilton Locke  
Level 27, Central Park  
152/158 St Georges Terrace  
Perth, Western Australia, Australia 6000

## **AUDITORS**

HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth, Western Australia, Australia 6000

## **SHARE REGISTRY**

### **Canada**

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100 Adelaide Street West, Suite 301  
Toronto, Ontario  
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### **Australia**

Computershare Investor Services Pty Limited  
Level 17, 221 St Georges Terrace  
Perth, Western Australia, Australia 6000

**TSX.V CODE : SWA**

**ASX CODE : SRR**

## **WEBSITE**

[www.saramaresources.com](http://www.saramaresources.com)

## ***MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL INFORMATION***

The accompanying condensed interim consolidated financial statements and all other financial information included in this report are the responsibility of management. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). Financial statements include certain amounts based on estimates and judgments. When alternative methods exist, management has chosen those it deems most appropriate in the circumstances to ensure that the condensed interim consolidated financial statements are presented fairly, in all material respects.

Management maintains appropriate systems of internal control, consistent with reasonable cost, to give reasonable assurance that its assets are safeguarded, and the financial records are properly maintained.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Audit Committee, which is comprised of three Directors, all of whom are non-management and independent, meets with management to review the consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the condensed interim consolidated financial statements.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial reporting standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

## ***NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS***

Under National Instruments 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

(signed) “Andrew Dinning”  
Director, President and CEO  
August 14, 2024

(signed) “Lui Evangelista”  
CFO  
August 14, 2024

**Sarama Resources Ltd**  
*An Exploration Stage Company*  
**Consolidated Statement of Financial Position**  
*Expressed in United States Dollars*

	Note	As at June 30, 2024 \$	As at December 31, 2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	596,282	492,521
Security deposits		23,344	23,819
Other receivables		90,095	23,633
Prepayments		9,526	28,171
<b>Total current assets</b>		719,247	568,144
<b>Non-current assets</b>			
Plant and equipment	4	23,799	34,097
Investment in associate	5	1,836,171	1,836,171
Royalty		23,131	23,131
<b>Total non-current assets</b>		1,883,101	1,839,399
<b>Total assets</b>		2,602,348	2,461,543
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	13	1,218,144	895,269
Provision for employee entitlements		182,129	152,482
Financial liabilities		9,086	22,136
<b>Total current liabilities</b>		1,409,359	1,069,887
<b>Non-current liabilities</b>			
Provision for employee entitlements		38,335	58,488
<b>Total non-current liabilities</b>		38,335	58,488
<b>Total liabilities</b>		1,447,694	1,128,375
<b>EQUITY</b>			
Share capital	6(b)	58,543,269	58,959,589
Share-based payments reserve	6(d)	5,160,207	5,160,207
Accumulated losses		(63,548,822)	(62,786,628)
<b>Total equity</b>		1,154,654	1,333,168
<b>Total liabilities and equity</b>		2,602,348	2,461,543

These financial statements are authorised for issue by the Board of Directors on August 14, 2024.

They are signed on the Company's behalf by:

(Signed) "Andrew Dinning" Andrew Dinning, Director

(Signed) "Simon Jackson" Simon Jackson, Director

*The accompanying notes are an integral part of these financial statements.*

**Sarama Resources Ltd**  
*An Exploration Stage Company*

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
*Expressed in United States Dollars*

	Note	Three months ended June 30, 2024 \$	Three months ended June 30, 2023 \$	Six months ended June 30, 2024 \$	Six months ended June 30, 2023 \$
<b>Income</b>					
Interest income		2,389	6,979	5,904	11,007
Fair value (loss) / gain on warrants carried at fair value through profit or loss		(1,402)	130,661	13,050	142,349
Gain on disposal of asset		24,490	-	24,490	-
<b>Total income</b>		<b>25,477</b>	<b>137,640</b>	<b>43,444</b>	<b>153,356</b>
<b>Expenses</b>					
Accounting and audit		6,196	8,910	11,368	14,268
Depreciation		1,107	1,245	2,213	2,557
Directors' fees		25,017	24,722	49,411	49,868
Exploration expenditure as incurred		94,655	382,948	226,095	604,076
Foreign exchange loss/(gain)		6,488	20,584	(11,626)	16,985
Insurance		7,134	11,752	14,264	23,505
Marketing and investor relations		526	45,394	1,367	91,092
Office and general		29,007	43,355	81,783	119,661
Professional fees		52,503	30,106	62,677	53,590
Salaries		171,629	129,417	361,239	291,132
Stock-based compensation		-	199,894	-	199,894
Travel		-	36,467	6,847	52,297
<b>Total expenses</b>		<b>394,262</b>	<b>934,794</b>	<b>805,368</b>	<b>1,518,925</b>
<b>Loss before income tax</b>		<b>368,785</b>	<b>797,154</b>	<b>762,194</b>	<b>1,365,569</b>
Income tax benefit		-	-	-	-
<b>Loss for the period</b>		<b>368,785</b>	<b>797,154</b>	<b>762,194</b>	<b>1,365,569</b>
Exchange differences on translation of foreign operations		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>368,785</b>	<b>797,154</b>	<b>762,194</b>	<b>1,365,569</b>
Basic and diluted loss per share	11	0.2 cents	0.5 cents	0.4 cents	0.9 cents
Weighted average number of shares Basic and diluted		183,935,90	150,527,889	186,449,642	144,259,851

*The accompanying notes are an integral part of these financial statements.*

**Sarama Resources Ltd**  
*An Exploration Stage Company*  
**Consolidated Statement of Cash Flows**  
*Expressed in United States Dollars*

	Note	Three months ended June 30, 2024 \$	Three months ended June 30, 2023 \$	Six months ended June 30, 2024 \$	Six months ended June 30, 2023 \$
<b>Cash flows used in operating activities</b>					
Payments to suppliers and employees		(197,172)	(259,477)	(355,204)	(650,026)
Payments for exploration and evaluation		(45,732)	(366,366)	(142,597)	(559,369)
Interest received		2,389	6,979	5,904	11,007
<b>Net cash used in operating activities</b>	12	<b>(240,515)</b>	<b>(618,864)</b>	<b>(491,897)</b>	<b>(1,198,388)</b>
<b>Cash flows used in investing activities</b>					
Purchase of plant and equipment	4	-	(1,206)	-	(1,206)
Proceeds from sale of plant and equipment	4	24,490	-	24,490	-
<b>Net cash generated in investing activities</b>		<b>24,490</b>	<b>(1,206)</b>	<b>24,490</b>	<b>(1,206)</b>
<b>Cash flows from financing activities</b>					
Common shares and warrants issued for cash		630,394	1,344,248	630,394	1,344,248
Payment of share issue costs		(46,714)	(111,289)	(46,714)	(111,289)
<b>Net cash generated by financing activities</b>		<b>583,680</b>	<b>1,232,959</b>	<b>583,680</b>	<b>1,232,959</b>
<b>Net increase in cash and cash equivalents</b>		<b>367,655</b>	<b>612,889</b>	<b>116,273</b>	<b>33,365</b>
Net foreign exchange differences		5,660	(19,246)	(12,512)	(23,322)
Cash and cash equivalents at beginning of the period		222,968	259,485	492,521	843,085
<b>Cash and cash equivalents at beginning of the period</b>		<b>596,282</b>	<b>853,128</b>	<b>596,282</b>	<b>853,128</b>

*The accompanying notes are an integral part of these financial statements.*

**Sarama Resources Ltd**  
*An Exploration Stage Company*  
**Consolidated Statement of Changes in Equity**  
*Expressed in United States Dollars*

	Number of common shares	Share capital (note 6)	Share based payments reserve	Deficit	Total
		\$	\$	\$	\$
<b>Balance at January 1, 2023</b>	<b>137,922,169</b>	<b>57,693,133</b>	<b>4,960,313</b>	<b>(60,307,841)</b>	<b>2,345,605</b>
Loss attributed to shareholders of the Company	-	-	-	(2,478,787)	(2,478,787)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(2,478,787)</b>	<b>(2,478,787)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Issue of shares	43,500,000	1,662,244	-	-	1,662,244
Fair value of broker warrants (6(b))	-	(269,208)	-	-	(269,208)
Share issuance costs (6(b))	-	(126,580)	-	-	(126,580)
Stock-based compensation - options (6(d)(i))	-	-	199,894	-	199,894
<b>Balance at December 31, 2023</b>	<b>181,422,169</b>	<b>58,959,589</b>	<b>5,160,207</b>	<b>(62,786,628)</b>	<b>1,333,168</b>
Loss attributed to shareholders of the Company	-	-	-	(762,194)	(762,194)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(762,194)</b>	<b>(762,194)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Issue of shares (6(b))	47,500,000	630,394	-	-	<b>630,394</b>
Share issuance costs (6(b))	-	(46,714)	-	-	<b>(46,714)</b>
Stock-based compensation - options (6(d)(i))	-	-	-	-	-
<b>Balance at June 30, 2024</b>	<b>181,422,169</b>	<b>59,543,269</b>	<b>5,160,207</b>	<b>(63,548,822)</b>	<b>1,154,654</b>

*The accompanying notes are an integral part of these financial statements.*



## 1. NATURE OF OPERATIONS

Sarama Resources Ltd (the “**Company**”) was incorporated under the laws of the Province of British Columbia, Canada on April 8, 2010.

### *Statement of compliance*

These condensed interim consolidated financial statements have been prepared in United States Dollars.

The board of directors of the Company have approved these condensed interim consolidated financial statements on August 14, 2024.

### *Business Activities*

The consolidated entity, consisting of Sarama Resources Ltd. and its subsidiaries is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties. As at June 30, 2024, the Company is in the process of exploring its principal mineral properties and has not yet determined whether the properties contain gold reserves that are economically recoverable.

The condensed interim consolidated financial statements for the period ended June 30, 2024, comprise the accounts of Sarama Resources Ltd and its subsidiaries and the Company’s interest in equity accounted investments.

### *Basis of Presentation*

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for financial assets and liabilities at fair value through profit or loss and in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and Interpretations of the International Financial Reporting Interpretations Committee (“**IFRIC**”). These condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim consolidated financial statements, including International Accounting Standard (“**IAS**”) 34, “*Interim Financial Reporting*”, and have been prepared following the same accounting policies as the annual consolidated financial statements for the year ended December 31, 2023 except as described in Note 2.

The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS.

### *Going Concern*

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements for the period ended June 30, 2024, the consolidated entity recorded a net loss of \$762,194 and had a net cash outflow from operating and investing activities of \$491,897. As at June 30, 2024, the consolidated entity had available cash of \$596,282 and a deficit of current assets over current liabilities of \$690,112.

The Directors have reviewed cashflow forecasts for the upcoming period and assessed that the consolidated entity will need to complete a capital raising or obtain alternative sources of financing to support forecast future cashflows over the following period of twelve months. A process is currently being conducted to determine the likely timing and quantum of these future sources of funding.

Should this capital raising or alternative source of financing not eventuate, or not eventuate on a sufficiently timely basis, there is a material uncertainty that may cast significant doubt as to whether the consolidated entity will continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Accordingly, the Directors believe that the going concern basis of

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**Notes to the Consolidated Financial Statements**  
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preparation of the financial report remains appropriate after taking into account the above successful capital raising and the Group's forecast cash flows for the relevant period.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) *Standards and Interpretations applicable to June 30, 2024*

In the period ended June 30, 2024, the Directors have reviewed all the new and revised Standards and Interpretations issued by the IASB that are relevant to the consolidated entity and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the consolidated entity and, therefore, no material change is necessary to the consolidated entity's accounting policies.

### b) *Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all the new and revised Standards and Interpretations in issue not yet adopted for the period ended June 30, 2024. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the consolidated entity and, therefore, no change is necessary to the consolidated entity's accounting policies.

### c) *Basis of Consolidation*

The condensed interim consolidated financial statements incorporate the assets and liabilities of the Company as at June 30, 2024 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including special purpose entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

### d) *Foreign Currency Translation*

#### (i) *Functional and Presentation Currency*

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The condensed interim consolidated financial statements are presented in United States dollars ("USD"), which is the Company's functional and presentation currency.

#### (ii) *Transactions and Balances*

Monetary assets and liabilities of the Company are translated into USD at the exchange rate in effect on the statement of financial position date while non-monetary assets and liabilities, revenues and expenses are translated using exchange rates in effect at the time of each transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All foreign exchange gains and losses are presented separately in profit or loss for the financial year.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair-value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

*(iii) Functional Currency*

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that balance sheet,
- income and expenses for each statement of comprehensive income (loss) are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

*e) Financial Instruments*

Cash and cash equivalents are classified as current assets and include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company places the majority of its cash holdings with an Australian financial institution which has a high credit rating.

*Non-derivative financial assets and liabilities*

The Company has the following non-derivative financial assets and liabilities:

- i. **Receivables**  
Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value, less any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses.
- ii. **Financial assets at fair value through profit or loss (FVTPL)**  
Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.
- iii. **Amounts payable and other accrued liabilities**  
Such financial liabilities are recognised initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method if significant.

*f) Exploration and Evaluation Assets*

Mineral exploration and evaluation costs are expensed as incurred based upon each area of interest. Acquisition costs will normally be expensed but will be assessed on a case by case basis and if appropriate may be capitalised. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the tenement. Accumulated acquisition costs in relation to an abandoned tenement are written off in full against profit or loss in the year in which the decision to abandon the tenement is made. Where a decision has been made to proceed with development in respect of a particular area of interest, all future costs are recorded as a development asset.

*g) Stock-based Compensation*

The fair value of share purchase options or warrants granted is determined by the Black-Scholes option pricing model using estimates for the volatility of the trading price of the Company's stock, the expected lives of share purchase options awarded, the fair value of the Company's shares and the risk-free interest rate.

For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date on which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. The estimated fair value of awards of share purchase options is charged to expense over the vesting period, with offsetting amounts to equity. If the share purchase options are granted for past services, they are expensed immediately. If the share purchase options are forfeited prior to vesting, no amounts are charged to expense. If share purchase options are exercised, then the fair value of the options is reclassified from stock-based compensation reserve to share capital.

At each reporting date, the amount recognised as an expense is adjusted to reflect the actual number of share purchase options or warrants that are expected to vest. The corresponding entry is recognised in the stock-based compensation reserve.

*h) Basic and Diluted Earnings per Share*

The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the result attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share does not adjust the profit attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

*i) Share Warrants*

In accordance with IFRS, an obligation to issue shares for a price that is not fixed in the Company's functional currency, and that does not qualify as a rights offering, must be classified as a derivative liability and measured at fair value through profit or loss in accordance with the requirements of IAS 32 Financial Instruments: Presentation. The financial liability will be accounted for at fair value through profit or loss until such time that the warrants are exercised or lapse, at which point the liability will be transferred to equity.

*j) Segment Reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

*k) Critical Estimates and Judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below.

*(i) Measurement of warrants and stock options*

The Company determines the fair value of both warrants and options classified as liabilities at fair value through profit or loss using the Black-Scholes Model. Note 6 provides detailed information about the key assumptions used in the determination of the fair value of warrants.

**Sarama Resources Ltd**  
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**Notes to the Consolidated Financial Statements**  
*Expressed in United States Dollars unless otherwise stated*

**3. CASH AND CASH EQUIVALENTS**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
Cash at bank and in hand	41,459	100,641
Deposits at call	554,823	391,880
	<b>595,282</b>	<b>492,521</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made on a rolling overnight basis and earn interest at the respective short-term deposit rates.

The Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in Note 7.

**4. PLANT AND EQUIPMENT**

	<b>June 30, 2024</b>			
	<b>Plant and Equipment</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Total</b>
	\$	\$	\$	\$
Opening net book value	13,734	13,659	6,704	34,097
Additions	-	-	-	-
Disposals – Cost	-	(69,855)	-	(69,855)
Disposals – Accum Depn	-	69,855	-	69,855
Depreciation	(1,207)	(4,910)	(4,181)	(10,298)
<b>Closing net book value</b>	<b>12,527</b>	<b>8,749</b>	<b>2,523</b>	<b>23,799</b>
Cost	253,768	28,922	246,654	529,344
Accumulated Depreciation	(241,241)	(20,173)	(244,131)	(505,545)
<b>Closing net book value</b>	<b>12,527</b>	<b>8,749</b>	<b>2,523</b>	<b>23,799</b>

**Sarama Resources Ltd**  
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**Notes to the Consolidated Financial Statements**  
*Expressed in United States Dollars unless otherwise stated*

	<b>December 31, 2023</b>			
	<b>Plant and Equipment</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Total</b>
	\$	\$	\$	\$
Opening net book value	17,023	46,295	26,724	90,042
Additions	738	-	960	1,698
Disposals at Cost	-	(116,570)	-	(116,570)
Disposal – Accum depn	-	102,509	-	102,509
Impairment at Cost	-	-	(70,945)	(70,945)
Impairment – Accum depn	-	-	58,926	58,926
Depreciation	(4,027)	(18,575)	(8,961)	(31,563)
<b>Closing net book value</b>	<b>13,734</b>	<b>13,659</b>	<b>6,704</b>	<b>34,097</b>
Cost	253,768	98,777	246,654	599,199
Accumulated Depreciation	(240,034)	(85,118)	(239,950)	(565,102)
<b>Closing net book value</b>	<b>13,734</b>	<b>13,659</b>	<b>6,704</b>	<b>34,097</b>

## 5. INVESTMENT IN ASSOCIATE

The Company has determined that it has significant influence over Joint Venture BFI Inc., a joint venture focussed on the exploration and evaluation of the Karankasso Project (“the Project”) in Burkina Faso, as it holds 17.62% (December 31, 2023: 17.52%) of the voting power as well as holding 2 out of the 4 Board positions. The Company’s interest is accounted for using the equity method in the condensed interim consolidated financial statements. Summarised financial information of the joint venture, based on IFRS financial statements, and reconciliation with the carrying amount of the investment in the condensed interim consolidated financial statements are set out below. The Company has not made any additional contributions during the period ended June 30, 2024.

Summarised statement of financial position of Joint Venture BFI Inc.:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
Current assets	212,681	305,125
Non-current assets	17,529,685	17,513,010
Current liabilities	(81,586)	(18,859)
Non-current liabilities	(5,450,365)	(5,559,216)
Equity	<b>12,210,415</b>	<b>12,240,060</b>
Reconciliation to carrying amount of investment		
Company’s share of equity	2,151,475	2,144,459
Plus additional contributions	1,365,851	1,365,851
	3,517,326	3,510,310
Notional premium on acquisition by JV	(1,681,155)	(1,674,139)
<b>Karankasso Project Joint Venture– at cost</b>	<b>1,836,171</b>	<b>1,836,171</b>

The notional premium is due to the joint venture recording a higher value of the equity contributed by the Company upon transfer to the joint venture.

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**6. SHARE CAPITAL**

*(a) Authorised Share Capital*

At June 30, 2024, the authorised share capital comprised an unlimited number of common shares without par value.

*(b) Issued Share Capital*

<b>Details</b>	<b>2024</b> <b>Number of</b> <b>shares</b>	<b>2024</b> <b>\$</b>	<b>2023</b> <b>Number of</b> <b>shares</b>	<b>2023</b> <b>\$</b>
Balance at January 1	<b>181,422,169</b>	<b>58,959,589</b>	137,922,169	57,693,133
Issue of shares under private placement (iii),(iv)	47,500,000	630,394		
Share issuance costs		(46,714)		
<b>Balance June 30 (net of cost)</b>	<b>228,922,169</b>	<b>59,543,269</b>	<b>137,922,169</b>	<b>57,693,133</b>
Issue of shares under private placement (i),(ii)			43,500,000	1,662,244
Share issuance costs			-	(126,580)
Fair value warrants issued			-	(269,208)
<b>Balance December 31 (net of cost)</b>	<b>228,922,169</b>	<b>59,543,269</b>	<b>181,422,169</b>	<b>58,959,589</b>

*(i) Private Placement April to June 2023*

On April 3, 2023, the Company announced that it had received binding commitments to undertake a A\$2.0 million equity placement to advance development studies for its Sanutura Project. This placement comprised the issue of 20,000,000 CDIs at an issue price of A\$0.10 per CDI. Sarama issued 1 free attaching unlisted option (“**Placement Option**”) for every 2 new CDIs issued pursuant to this placement. Each Placement Option is exercisable at A\$0.15 and will expire 3 years from the date of issue. This placement was completed in two tranches; Tranche 1 was completed on April 13, 2023 consisting of 13.75 million CDIs (and 6.875 million attaching Placement Options). Funds received from the Tranche 1 placement was A\$1.375 million. Tranche 2 was completed in two parts, on June 14, 2023 and June 21, 2023, consisting of 6.25 million CDIs (and 3.125 million attaching Placement Options). Funds received from the Tranche 2 placement was A\$625,000.

*(ii) Private Placement December 2023*

On December 22, 2023, the Company announced that it had closed Tranche 1 of its A\$520,000 equity placement (announced on December 18, 2023). Tranche 1 of this placement raised aggregate gross proceeds of A\$470,000 with the Company issuing 6,000,000 common shares and 17,500,000 Chess Depository Instruments (“**CDIs**”) at an issue price of A\$0.02 per security. Underlying each CDI is a newly issued common share of the Company and each CDI therefore represents a beneficial interest in 1 common share of the Company. Tranche 2 of this placement will consist of the remaining 2,500,000 CDIs, which have been subscribed for by a director, Mr Andrew Dinning. The issuance of the CDIs pursuant to Tranche 2 will be subject to shareholder approval at a general meeting to be held in April 2024. Total funds received from Tranche 2 are expected to be A\$50,000.

*(iii) Private Placement April 2024*

On April 17, 2024, the Company announced that it had closed Tranche 2 of its previously announced A\$520,000 equity placement (“**April 24 Placement**”). The second and final Tranche of the April 24 Placement raised aggregate gross proceeds of A\$50,000 with the Company issuing 2,500,000 CDIs at an issue price of A\$0.02 per CDI to a director, Mr Andrew Dinning. The issuance of the CDIs to Mr Dinning was subject to shareholder approval, as required by the ASX Listing Rules, which was obtained at a special meeting held on 11 April 2024.

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(iv) *Private Placement June 2024*

On June 25, 2024, the Company announced that it had closed tranche 1 of its previously announced A\$1m equity placement (“**June 24 Placement**”). Tranche 1 of the June 24 Placement raised aggregate gross proceeds of A\$900,000 with the Company issuing 45,000,000 CDIs at an issue price of A\$0.02 per CDI. Tranche 2 of the June 24 Placement will consist of the remaining 5,000,000 CDIs. The issuance of the CDIs pursuant to tranche 2 will be subject to shareholder approval at a general meeting expected to be held in September 2024. Total funds received from Tranche 2 are expected to be A\$100,000.

(c) *Company Stock Option Plan*

The Company has a stock option plan (the “**Plan**”) that provides for the issuance of up to 10% of the issued and outstanding shares of the Company. The board of directors is authorised to set the exercise price, expiry date, and vesting provisions for each grant, subject to the policies of the TSX Venture Exchange. The plan provides for a maximum grant period of ten years. Options can be exercised at any time prior to their expiry date. Details are as follows:

<b>Grant Date</b>	<b>No.</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
January 19, 2022 (fully vested)	2,721,665	C\$0.20	January 19, 2025
April 20, 2023 (fully vested)	6,809,999	A\$0.16	April 20, 2026
	<b>9,531,664</b>		

No options were granted in the period ended June 30, 2024 (period ended June 30, 2023: 6,809,999).

No options were exercised in the period ended June 30, 2024 (period ended June 30, 2023: Nil).

3,158,336 options expired in the period ended June 30, 2024 at a weighted average exercise price and life of C\$0.35 and 3 years respectively (period ended June 30, 2023: 3,599,999 options expired at a weighted average exercise price and life of C\$0.21 and 3 years respectively).

(d) *Stock-Based Compensation*

(i) *Options*

For the period ended June 30, 2024, the expense incurred relating to stock-based compensation on the grant of options was nil (June 30, 2023: \$199,894).

For the period ended June 30, 2024, the Company did not grant any stock options to its directors, officers, employees and consultants.

(ii) *Warrants*

The Company has issued warrants as part of its capital raising and exploration programs. The details of all warrants still on issue are detailed below.

<b>Warrant issue</b>	<b>Total Warrants Issued</b>	<b>Exercise Price (C\$)</b>	<b>Estimated fair value of warrants (C\$)</b>	<b>Estimated fair value per warrant (C\$)</b>	<b>Expiry Date</b>
Broker Warrants issued					
April 22, 2022	2,500,000	\$A0.273	303,345	\$0.121	April 22, 2025
<b>Sub Total</b>	<b>2,500,000</b>		<b>303,345</b>	<b>\$0.121</b>	



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Shareholder Warrants issued					
July 28, 2021	4,863,517	\$0.28	561,822	\$0.115	July 28, 2024
April 13, 2023	6,875,000	A\$0.15	295,713	\$0.043	April 13, 2026
June 14, 2023	1,312,180	A\$0.15	27,445	\$0.021	June 14, 2026
June 21, 2023	1,812,820	A\$0.15	31,544	\$0.017	June 21, 2026
<b>Total</b>	<b>19,030,183</b>		<b>1,565,965</b>	<b>\$0.082</b>	

2,500,000 broker warrants were issued on April 22, 2022, to the Lead Manager of the ASX listing process, Euroz Hartleys Limited, at an exercise price of A\$0.273 each and expire on April 22, 2025.

4,863,517 shareholder warrants were issued on July 28, 2022, in relation to a private placement conducted by the Company. The warrants are exercisable at C\$0.28 and expire on July 28, 2024.

6,875,000 shareholder warrants were issued on April 13, 2023, in relation to a private placement conducted by the Company. The warrants are exercisable at A\$0.15 and expire on April 13, 2026.

1,312,180 shareholder warrants were issued on June 14, 2023, in relation to a private placement conducted by the Company. The warrants are exercisable at A\$0.15 and expire on June 14, 2026.

1,812,820 shareholder warrants were issued on June 21, 2023, in relation to a private placement conducted by the Company. The warrants are exercisable at A\$0.15 and expire on June 21, 2026.

The fair value of the acquisition warrants are recognised within the share-based payments reserve, within the equity section of the financial statements, in accordance with IFRS 2.

The fair value of shareholder warrants are recognised as a financial liability in the financial statements in accordance with IAS 32.

The fair value of the warrants recognised in the financial statements has been estimated using the Black-Scholes Option-Pricing Model at inception with the following assumptions:

<b>Warrant issue</b>	<b>Price of Security on issue date</b>	<b>Risk – free interest rate</b>	<b>Expected dividend yield</b>	<b>Expected stock price volatility</b>	<b>Remaining warrant life</b>
Broker Warrants issued April 22, 2022	C\$0.18	2.70%	0%	76%	10 months
Shareholder Warrants issued July 28, 2021	C\$0.28	0.55%	0%	105%	1 month
Shareholder Warrants issued April 13, 2023	C\$0.11	3.59%	0%	64%	22 months
Shareholder Warrants issued June 14, 2023	C\$0.07	4.15%	0%	61%	24 months
Shareholder Warrants issued June 21, 2023	C\$0.09	4.22%	0%	62%	24 months

## 7. FINANCIAL INSTRUMENTS

The Company is exposed to financial risks through the normal course of its business operations. The key risks impacting the Company's financial instruments are considered to be foreign currency risk, interest rate risk, liquidity risk, credit risk and equity price risk. The Company's financial instruments exposed to these risks are cash and short-term deposits, receivables, trade payables and investments in foreign operations.

The executive management team monitors the financial instrument risk to which it is exposed and assesses the impact and likelihood of those risks on an ongoing basis. Where material, these risks are reported and reviewed by the board of directors.

### (i) Fair Values

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The fair value of the Company's financial instruments approximates their carrying values due to the immediate or short-term maturity of these financial instruments. The Company's financial assets and liabilities are measured and recognised at fair value as at June 30, 2024 according to the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities (level 1),
- (b) quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability (level 2), and
- (c) prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity) (level 3).

(ii) Financial Instrument Risk Exposure

**Foreign currency risk**

The Company has international operations in West Africa, namely Burkina Faso and an administrative office in Western Australia. The multiple locations expose the Company to foreign exchange risk as detailed below:

- Canadian dollar (CAD) – primary source of Company funding and its corporate and regulatory costs.
- Australian dollar (AUD) – administrative costs in Western Australia.
- Euro and Communauté Financière Africaine Francs (CFA) – funding of African operations.

Management's policy is to actively manage foreign exchange risk. Management mitigates foreign exchange risk by continuously monitoring forecasts and spot prices of foreign currency and holding foreign currency based on expected future expenditure commitments.

The carrying amounts of the Company's financial assets and liabilities are denominated in USD, except as set out below:

	<b>As at June 30, 2024</b>		
	<b>AUD</b>	<b>CAD</b>	<b>Euro</b>
	\$	\$	€
Cash and cash equivalents	834,636	6,093	30,385
Payables	146,470	161,900	10,377
	<hr/>		
	<b>As at December 31, 2023</b>		
	<b>AUD</b>	<b>CAD</b>	<b>Euro</b>
	\$	\$	€
Cash and cash equivalents	706,622	3,933	5,866
Payables	57,344	92,417	27,235

**Sensitivity**

Based on the financial instruments held as at June 30, 2024, had the US dollar weakened/strengthened by 10% against the AUD, CAD or Euro, with all other variables held constant, the Company's losses/gains for the year would have been mainly as a result of foreign exchange gains/losses in translation of foreign denominated currencies. The following table summarises the sensitivity of the Company's cash and cash equivalents to changes in foreign exchange rates.

The Company's exposure to other foreign exchange movements is not material.

	<b>As at June 30, 2024</b>		
	<b>AUD</b>	<b>CAD</b>	<b>Euro</b>
	\$	\$	€
USD Strengthened by 10%	(42,576)	10,685	(2,007)
USD Weakened by 10%	52,037	(13,059)	2,453

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	As at December 31, 2023		
	AUD \$	CAD \$	Euro €
USD Strengthened by 10%	(40,170)	6,068	2,144
USD Weakened by 10%	49,096	(7,416)	(2,620)

***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable.

The Company has reduced its credit risk by holding all of its cash and cash equivalents with an Australian financial institution, whose Moody's Investor Service rating is Aa3, except for working capital requirements in West Africa.

***Liquidity risk***

Ultimate responsibility for liquidity risk rests with the Board of Directors, who oversee a liquidity risk management framework for the management of the Company's funding and liquidity requirements.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring there are adequate funds available to meet its operating and growth objectives. The Company relies on issuance of shares to fund exploration programs and will most likely issue additional shares in the future.

***Interest rate risk***

The Company is exposed to interest rate risk as entities in the Company deposit funds at both short-term fixed and floating rates of interest. Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears interest at variable rates. The fair value of cash approximates its carrying value due to the immediate or short-term maturity of this financial instrument.

Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing.

**8. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in accordance with the objectives stated above, as well as responding to changes in economic conditions and the risk characteristics of the underlying assets. There were no changes in the Company's approach to capital management during the period ended June 30, 2024. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the company, is reasonable. The Company is not subject to externally imposed capital requirements.

The properties in which the Company currently has interests are in the exploration stage, as such, the Company does not recognize revenue from its exploration properties. The Company's historical source of capital has consisted of the issue of equity securities and warrants. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

The Company is exposed to various funding and market risks which could curtail its access to funds.

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**9. SUBSIDIARIES**

The condensed interim consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

Name of entity	Country of Incorporation	Class of shares	Functional Currency	Equity holding %	
				2024	2023
Sarama Investments Ltd	British Virgin Islands	Ordinary	USD	100	100
Sarama Investments (No.2) Limited	British Virgin Islands	Ordinary	USD	100	100
Sarama Investments Mali Limited	British Virgin Islands	Ordinary	USD	100	100
Vasto Mining Limited	British Virgin Islands	Ordinary	USD	100	100
Burkina Faso Holdings Limited	British Virgin Islands	Ordinary	USD	100	100
SWA BF No.3 Investments Limited	British Virgin Islands	Ordinary	USD	100	100
Sarama Mining Burkina SUARL	Burkina Faso	Ordinary	USD	100	100
Sarama Faso SARL	Burkina Faso	Ordinary	USD	100	100
SWA SARL	Burkina Faso	Ordinary	USD	100	100
Eburnean Resources Limited – Burkina SARL	Burkina Faso	Ordinary	USD	100	100
Pedsam Mining Limited (Liberia)	Liberia	Ordinary	USD	100	100

**10. SEGMENT REPORTING**

The Company consider the Board of Directors to be the chief decision maker.

The Company has one business segment, being the acquisition, exploration and potential development of mineral properties. The Company has operations in one geographic area, being Burkina Faso.

**As at and for the period ended June 30, 2024**

	<b>Burkina Faso</b>	<b>Other</b>	<b>Total</b>
	\$	\$	\$
<b>Segment current assets</b>	39,051	680,197	719,248
<b>Segment non-current assets</b>			
Plant and equipment	20,330	3,469	23,799
Investment in Associate	1,836,171	-	1,836,171
Royalty	-	23,131	23,131
	<u>1,856,501</u>	<u>26,600</u>	<u>1,883,101</u>
<b>Segment total assets</b>	<b>1,895,552</b>	<b>706,797</b>	<b>2,602,349</b>
<b>Segment liabilities</b>	<b>11,806</b>	<b>1,435,888</b>	<b>1,447,694</b>
<b>Segment Loss</b>			
Loss for the period from continuing operations	<b>201,606</b>	<b>560,588</b>	<b>762,194</b>

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	<b>Burkina Faso</b>	<b>Other</b>	<b>Total</b>
	\$	\$	\$
<b>Segment current assets</b>	68,959	890,846	959,805
<b>Segment non-current assets</b>			
Plant and equipment	66,107	7,895	74,002
Investment in Associate	1,836,171	-	1,836,171
Receivables – Non-Current	144,534	-	144,534
Royalty	-	23,131	23,131
	2,046,812	31,026	2,077,838
<b>Segment total assets</b>	<b>2,115,871</b>	<b>921,872</b>	<b>3,037,643</b>
<b>Segment liabilities</b>	<b>32,008</b>	<b>861,953</b>	<b>893,961</b>
<b>Segment Loss</b>			
Loss for the period from continuing operations	<b>491,438</b>	<b>874,131</b>	<b>1,365,569</b>

**11. BASIC AND DILUTED LOSS PER SHARE**

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	<b>Cents per share</b>	<b>Cents per share</b>
Basic and diluted loss per share	(0.2)	(0.4)
	\$	\$
Net loss used in calculating basic/diluted loss per share	(368,785)	(762,194)
Weighted average number of shares on issue during the period used in the calculation of basic loss per share	186,449,642	183,935,905

Diluted loss per share as at June 30, 2024 is the same as basic loss per share as it is unlikely that the warrants will be converted into common shares.

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**12. NOTES TO THE STATEMENT OF CASH FLOWS**

Reconciliation of loss after tax to net cash flows from operations

	<b>Three months ended June 30, 2023</b>	<b>Three months ended June 30, 2022</b>	<b>Six months ended June 30, 2023</b>	<b>Six months ended June 30, 2022</b>
	\$	\$	\$	\$
Loss for the period	(368,785)	(797,154)	(762,194)	(1,365,569)
Depreciation	5,319	8,529	10,299	17,246
(Gain)/loss on disposal of plant and equipment	(24,490)		(24,490)	
Fair value gain on warrants carried at fair value through profit or loss	1,402	(130,661)	(13,050)	(142,349)
Stock-based compensation	-	199,894	-	199,894
Movements in provisions, salary benefits	2,755	30,526	(18,368)	37,736
Net exchange and translation differences – loss/(gain)	5,728	17,027	(12,059)	11,444
Net cash outflows used in operating activities before change in working capital	(378,072)	(671,839)	(819,682)	(1,241,598)
Change in working capital	137,556	52,975	327,965	43,210
Net cash outflows used in operating activities	(240,515)	(618,864)	(491,897)	(1,198,388)

**13. ACCOUNTS PAYABLE & ACCRUED LIABILITIES**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
Accounts payable	102,324	108,419
Directors' fees	107,615	54,284
Deferred salaries	660,060	381,439
Annual leave entitlements	348,145	351,127
	<u>1,218,144</u>	<u>895,269</u>

**14. CONTINGENT LIABILITY: TAX ASSESSMENT – BURKINA FASO**

The Company is subjected to a tri-annual taxation audit pursuant to Burkina Faso taxation laws and regulations. The Company's most recent audit was undertaken in the fourth quarter of 2021. As a result of this audit, the Burkina Faso taxation authorities have identified several matters as potentially attracting additional tax liabilities which have not been accounted for by the Company. The Company disputes the basis for, or quantum of, the related tax claims and has commenced the process for this to be reviewed. The review process requires filing of dispute materials with the relevant government authorities which was filed on May 6, 2022. The Company has yet to receive any further communication since the filing. Should that review process resolve in an outcome considered unsatisfactory, the Company may challenge the outcome by commencing court proceedings in Burkina Faso. The Company considers that the above process is common in Burkina Faso and the Company has been through a similar process in its previous tri-annual audits. The Board has assessed the likely outcomes of the process and concluded that the likely outcome is not considered to be material to the Company's financial position.

## 15. SUBSEQUENT EVENTS

### SHARES FOR SERVICE

On July 16, 2024, the Company advised that the Company's Executives and Non-Executive Directors have agreed to receive a portion of their deferred salaries and director fees in common shares of the Company.

In September 2023, the Company's Executives and Non-Executive Directors agreed to suspend the payment of salaries and fees to ensure the Company had sufficient financial resources to work through the period of uncertainty created by the illegal withdrawal of the Company's rights to the Tankoro 2 exploration permit in August 2023.

The Company intends to issue shares in part settlement of deferred Executive salaries and director fees (the "Compensation Shares"), subject to requisite TSX Venture Exchange ("TSX-V") and Australian Securities Exchange ("ASX") requirements.

Pursuant to the requirements of the TSX-V, the Company has sought approval to implement this shares-for-debt arrangement to issue 22,348,980 Compensation Shares to the Executives and Non-Executive Directors. The deemed issue price of each Compensation Share is A\$0.02, which is equivalent to the issue price of the equity placement announced June 19, 2024. The issuance of these Compensation Shares is subject to prior shareholder approval as required by the Listing Rules of the ASX which will be sought at the Company's Annual General meeting to be held in September 2024.

### STOCK BASED COMPENSATION

On July 23, 2024, the Company granted 9,900,000 options to directors, officers, employees and consultants of the Company as a result of the Company's annual compensation review. This granting of options is made in accordance with the Company's stock option plan which was approved by shareholders on December 21, 2022, and allows for the issuance of a number of options up to 10% of its rolling issued and outstanding common shares during any 12 month period.

Options to be granted to Directors will require Shareholder approval under ASX Listing Rule 10.14 as it is an issue to a related party. Approval will be sought at the next AGM in September 2024. The Company is proposing to issue an aggregate of 4,500,000 options to directors (or their nominees)

### ACQUISITION OF GOLD PROJECT IN WESTERN AUSTRALIA

On August 13, 2024, the Company announced that it had entered into a binding agreement to acquire a majority interest in the Cosmo Newbery Gold Project (the "Project") in Western Australia

Pursuant to the binding Asset Sale and Purchase Agreement ("SPA") executed by Sarama, and one of its 100%-owned subsidiaries, with Cosmo Gold Limited ("Cosmo") and Adelong Gold Limited ("Adelong"), Sarama will acquire 80% of Cosmo's interest in the Project (the "Transaction") and will be granted the right to acquire the remainder of Cosmo's interest in the Project within a 2-year period. Further, an existing debt obligation of Cosmo to Adelong will be satisfied and discharged as part of the transaction. The key commercial terms are summarised as follows:

- Sarama (via its subsidiary) to acquire 80% of Cosmo's interest in the Project for the following consideration and payment of certain Project-related expenses on behalf of Cosmo:
  - issuance of 25 million shares in Sarama (in the form of Chess Depository Instruments ("CDI")) to Adelong;
  - issuance of 7.5 million unlisted options to acquire shares in Sarama (in the form of CDIs) to Adelong (2-year expiry, A\$0.05/option strike price, converting on 1:1 basis);
  - payment of A\$50,000 to Cosmo within 21 days of execution of the SPA;
  - payment of A\$50,000 to Cosmo upon Sarama receiving shareholder approval for the transaction;
  - payments relating to Native Title Access Agreements totalling approximately A\$112,000;

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- payments relating to statutory tenement fees totalling approximately A\$76,000; and
- payments relating to exploration activities totalling approximately A\$139,000.
- Upon completion of the Transaction, Sarama (via its subsidiary) and Cosmo will form an unincorporated joint venture (“JV”) (in respect of Cosmo’s current interest in the Project) with key terms as follows:
  - initial participating interests of 80% Sarama / 20% Cosmo;
  - Sarama shall ‘free carry’ Cosmo’s interest in the JV and will solely fund all JV activities through to a ‘decision to mine’ being made;
  - Sarama shall assume initial operatorship of the Project and will have the right to determine direction of JV activities;
  - for a minimum period of 24 months following completion of the Transaction, Sarama undertakes to maintain the Project tenements in ‘good standing’, including satisfying all expenditure conditions and payment of all tenement-related fees, administrative costs and assuming Cosmo’s obligations (including cost responsibility) under certain third-party agreements;
  - following a ‘decision to mine’ being made, Sarama and Cosmo must each fund all expenditure under the JV on a pro-rata basis, with standard provisions for dilution in the event a party does not fund its pro-rata share;
  - in the event a party’s interest in the JV falls below 10%, the party’s interest will automatically convert to 0.5% net smelter return royalty; and
  - within the period of 24 months following completion of the Transaction, Sarama has the right to purchase Cosmo’s 20% interest in the JV for A\$1.25M, which may be satisfied by either a cash payment or shares (CDIs) in Sarama.
  - Completion of the Transaction is subject to the satisfaction of certain conditions precedent including regulatory and shareholder approval (including Sarama shareholder approval for the issue of securities pursuant to ASX Listing Rule 7.1) and assignment of land access agreements