

APRIL 7, 2014



## PRELIMINARY OXIDE HEAP LEACH TESTWORK DELIVERS EXCELLENT RESULTS AT THE SOUTH HOUNDÉ PROJECT

VANCOUVER, CANADA. Sarama Resources Ltd. (“**Sarama**” or the “**Company**”) is pleased to announce that preliminary metallurgical testing at its South Houndé Project in south-west Burkina Faso has returned excellent results, reinforcing the Company’s exploration bias towards oxide and free-milling material. The combination of high gold extraction, modest reagent consumption and rapid leach kinetics demonstrate that the oxide material is amenable to heap leaching, offering a typically lower cost alternative to conventional milling which is further enhanced by the relatively high oxide mineral resource grade of 1.4g/t Au<sup>1,5</sup>.

### Highlights

- Testwork demonstrates oxide material is amenable to heap leaching which typically offers a lower cost alternative to conventional milling
- 87.2% gold extraction achieved for oxide composite sample in column leach testwork<sup>2</sup>
- Rapid leach kinetics with 80% gold extraction after a 9-day column residence time
- Low to moderate sodium-cyanide consumption of 0.2-0.3kg/t expected for field operations<sup>3</sup>
- Oxide material readily forms a stable pellet when agglomerated with cement
- Very low column slump and high solution percolation rates indicate potential for the 10kg/t cement dosage rate used for the agglomeration testwork to be significantly reduced in field operations
- Oxide component of the Inferred Mineral Resource at South Houndé Project contains 298 koz of gold<sup>1,5</sup>
- Exploration work, biased towards free-milling and high-grade targets, continues at the South Houndé Project which currently hosts an Inferred Mineral Resource of 1.50Moz contained gold<sup>4</sup>

1. 6.82 Mt @ 1.4 g/t Au for 298 koz reported above 0.4 g/t Au cut-off
2. Composite samples control crushed to -25mm and agglomerated with 10kg/t cement addition prior to leaching by solution with a strength of 0.04-0.05% (w/v) NaCN in a 2m high, 200mm diameter column for a total of 40 days
3. Based on column testwork and empirical observations Kappes, Cassidy & Associates Australia Pty Ltd conclude that actual NaCN consumption in commercial gold heap leaching facilities is approximately 25-40% of that measured in column testwork
4. 29.13 Mt @ 1.6 g/t Au for 1.50Moz reported above 0.8 g/t Au cut-off

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## **Preliminary Metallurgical Testwork for Oxide Heap Leaching**

Preliminary metallurgical testwork to assess the amenability of oxide mineralisation to processing by heap leaching has been completed by ALS Metallurgy Pty Ltd under the supervision of Kappes, Cassidy & Associates Australia Pty Ltd (“KCAA”). The testwork is regarded as preliminary and as such, parameters and flowsheets are un-optimised. Notes outlining the testwork approach and detailed results are presented in Appendix A.

An oxide composite sample, grading 1.60g/t Au and weighing approximately 240kg, was generated from weathered quartz-feldspar-porphry hosted mineralisation in 6 individual diamond drill half-core samples sourced from within the mineral resource. The constituent holes were selected so as to provide reasonable representivity across the MM Prospect which hosts the majority of the mineral resources at the South Houndé Project.

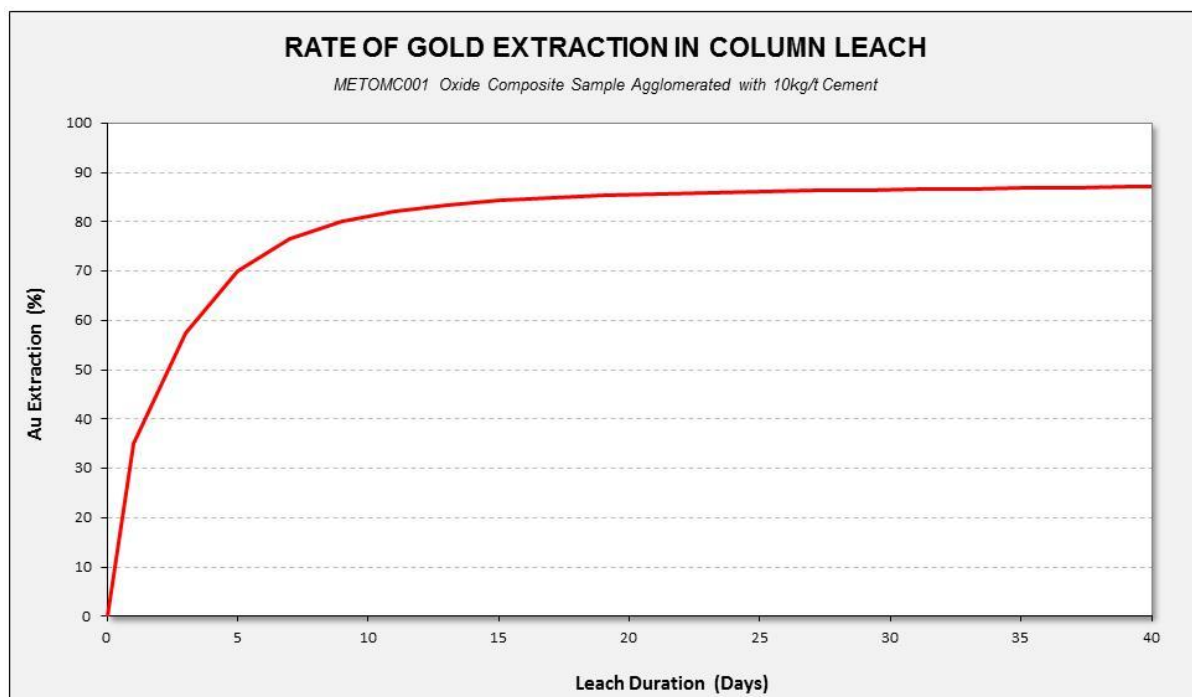
### **Column Leach Testwork**

A 65kg sub-sample of -25mm sized oxide composite was agglomerated using a cement dosage rate of 10kg/t to form stable pellets prior to column leach testing with a diluted sodium-cyanide (NaCN) solution for a duration of 40 days. The column leach test is an industry-standard method used to provide an indication of leaching performance in a scaled-up heap leach in the field.

The testwork yielded a final gold extraction of 87.2% which is very encouraging, particularly when coupled with the rapid leach kinetics which saw an extraction level of 80% achieved in only 9 days (refer Figure 1). Based on the column testwork, KCAA advise a gold extraction of approximately 85% could potentially be achieved in scaled-up field operations, subject to good agglomeration and stacking practices being adopted.

Reagent consumption was measured to be low to moderate for the oxide material. The testwork determined a NaCN consumption of 0.79kg/t over the entire test period, however based on KCAA’s empirical observations, this lab-based consumption is expected to translate to a consumption of in the range of 0.2-0.3kg/t NaCN for a scaled-up heap leach operation.

Percolation and slumpage tests conducted on the column after the leaching phase determined that the pellets and column were very stable. Indications are that the 10kg/t cement dosage rate selected for the test could be significantly reduced, whilst still maintaining stable pellet and heap conditions to promote good hydraulic conductivity within the heap.



### **Figure 1 – Gold Leach Kinetics**

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Sarama's President and CEO, Andrew Dinning, commented:

*"The column test leach results correlate well with our earlier intermittent bottle roll tests and we are very pleased with the high gold extraction of 87.2% that was achieved. With our relatively high oxide grade, good indicated gold recoveries and modest reagent consumptions, we view heap leaching as a simple and cost effective alternative for the treatment of oxide mineralisation at the South Houndé Project.*

*Sarama is continuing its exploration efforts at the South Houndé Project and we are particularly keen to add to the 298koz<sup>1,5</sup> gold contained in the oxide portion of the Inferred Mineral Resource and to attain a critical mass for the mineral resource base. Whilst we are maintaining a bias towards oxide material, we are also focused on identifying more free-milling and high-grade targets."*

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

### **ABOUT SARAMA RESOURCES LTD**

Sarama Resources Ltd (TSX-V: SWA) is a West African focused gold explorer with substantial landholdings in Burkina Faso, Liberia and Mali.

Sarama's flagship properties are situated within the Company's South Houndé Project area in south-west Burkina Faso. Located within the prolific Houndé greenstone belt, Sarama's exploration programs have built on significant early success to deliver a maiden Inferred Mineral Resource estimate of 1.5 Moz gold<sup>4,5</sup>. Outside of Burkina Faso, Sarama is focused on consolidating a number of under-explored landholdings in other emerging and established mining jurisdictions.

Incorporated in 2010, the Company's Board and management team have a proven track record in Africa and a strong history in the discovery and development of large-scale gold deposits. Sarama is well positioned to build on its current success with a strong financial position and a sound exploration strategy across its property portfolio.

5. *The effective date of the Company's Mineral Resource estimate is September 16, 2013. For further information regarding the Mineral Resource estimate please refer to the technical report titled "NI 43-101 Independent Technical Report, South Houndé Project, Bougouriba and Ioba Provinces, Burkina Faso", dated October 28, 2013. The technical report is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

## **CAUTION REGARDING FORWARD LOOKING STATEMENTS**

*Information in this news release that is not a statement of historical fact constitutes forward-looking information. Such forward-looking information includes statements regarding the Company's potential development plans for South Houndé Project using an oxide heap leach operation and expectations that this would provide a low operating and capital cost development, future exploration program and the Mineral Resource estimate. Actual results, performance or achievements of the Company may vary from the results suggested by such forward-looking statements due to known and unknown risks, uncertainties and other factors. Such factors include, among others, that the business of exploration for gold and other precious minerals involves a high degree of risk and is highly speculative in nature; Mineral Resources are not Mineral Reserves, they do not have demonstrated economic viability, and there is no certainty that they can be upgraded to Mineral Reserves through continued exploration; few properties that are explored are ultimately developed into producing mines; geological factors; the actual results of current and future exploration; changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents.*

*There can be no assurance that any mineralisation that is discovered will be proven to be economic, or that future required regulatory licensing or approvals will be obtained. However, the Company believes that the assumptions and expectations reflected in the forward-looking information are reasonable. Assumptions have been made regarding, among other things, the Company's ability to carry on its exploration activities, the sufficiency of funding, the timely receipt of required approvals, the price of gold and other precious metals, that the Company will not be affected by adverse political events, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain further financing as and when required and on reasonable terms. Readers should not place undue reliance on forward-looking information.*

*Sarama does not undertake to update any forward-looking information, except as required by applicable laws.*

## **QUALIFIED PERSON'S STATEMENT**

*Scientific or technical information in this news release that relates to metallurgical testwork and mineral processing for oxide mineralisation is based on information compiled or approved by Randall Pyper. Randall Pyper is an employee of Kappes, Cassidy & Associates Australia Pty Ltd and is considered to be independent of Sarama Resources Ltd. Randall Pyper has verified the data underlying the information in this news release pertaining to the metallurgical testwork completed on the Company's behalf. The verification was conducted by Randall Pyper through a review of relevant lab results provided directly by the engaged laboratory. Randall Pyper is a Fellow 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. Randall Pyper consents to the inclusion in this news release of the information, in the form and context in which it appears.*

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

## APPENDIX A – PRELIMINARY HEAP LEACH METALLURGICAL TESTWORK

### Notes

1. The metallurgical testwork program was undertaken by ALS Metallurgy Pty Ltd (Perth) (“ALS”) under the supervision of Kappes, Cassidy & Associates Australia Pty Ltd (“KCAA”), a minerals industry consultancy based in Perth, Western Australia, which specialises in heap leach assessments. Both ALS and KCAA are independent of Sarama.
2. Sample selection ensured representivity in terms of gold grade, mineralisation style, weathering type and spatial distribution. In total, 6 individual samples, weighing a total of approximately 240kg, were collected from the MM Prospect to form the oxide composite sample.
3. All samples were sourced from diamond drill half-core which had been stored in purpose built core trays on-site in Burkina Faso.
4. All samples were homogenised and control crushed to -25mm with a sub-sample of approximately 65kg used for the column leach testwork.
5. The sub-sample was agglomerated with cement at a dosage rate of 10kg/t to form increased pellet sizes and to promote pellet stability. Agglomeration was performed in a rolling drum with water added according to visual observations. After agglomeration, the product cured for 24 hours prior to other testwork being performed.
6. The agglomerated product was loaded in to a 2m high, 200mm diameter clear plastic column to perform leach testing. The starting height of the product in the column was noted.
7. Active leach testwork proceeded over a period of 40 days consisting of 20 individual percolation cycles. For each cycle, a solution containing 0.04-0.05% NaCN (w/v) was applied to the column at a rate of 8 litres/day for 24 hours. At the end of this period the pregnant solution was assayed and titrated to determine gold and NaCN content respectively then contacted with pre-atritioned activated carbon in a stirred vessel for 24 hours. The barren solution was then dosed with new NaCN solution to achieve a 0.04-0.05% NaCN strength (w/v) and recirculated to the top of the column to commence the next percolation cycle. The same batch of activated carbon was used for the entire test period, with gold being allowed to accumulate.
8. At the end of the 40 days, the column was subjected to 4 wash cycles in a single 24 hour period with gold content and NaCN strength being determined after each wash.
9. A final percolation test was performed on the column to assess pellet stability and column flow rates. The dry column height was recorded prior to the soaking of the column in water for a 2 hour duration. The wet column height was noted before and after tapping to determine slumpage prior to the application of 13 litres of water being introduced to determine flow rate/percolation potential.
10. Upon completion of the percolation testing, the column residue was dried, homogenised and split to produce a sub-sample to be assayed for gold content. Size-by-size analyses for gold content were also conducted on the leach residue.
11. The gold loaded carbon was also assayed for gold content after the testwork as a metal balance check.