

JULY 5, 2017



SARAMA RESOURCES IDENTIFIES GOLD-IN-SOIL ANOMALISM OVER 10KM-LONG TREND AT ITS 100%-OWNED BOTORO PROPERTY IN BURKINA FASO

VANCOUVER, CANADA. Sarama Resources Ltd. (“Sarama” or the “Company”) (TSX-V:SWA) is pleased to report that the first phase of exploration on the Company’s recently-acquired¹ Botoro Property (“Botoro” or the “Property”) in south-west Burkina Faso has identified several gold-bearing quartz vein systems associated with regional shear zones and a preliminary soil geochemistry survey has returned gold-in-soil anomalism associated with structural features over a distance of approximately 10km.

The Botoro Property is part of the Company’s 100%-owned, 660km² ThreeBee Project² in the highly prospective southern Houndé Belt.

Highlights

- Wide-spaced geochemical survey identified several km-scale anomalous zones coincident with regional scale structural features, including three **2-3km-long** zones within a **10km-long** structural corridor
- Geochemical survey returned several single-point +250ppb Au gold-in-soil assay results outside these main trends, including a high-grade sample of 4,420ppb Au (4.4g/t Au) in an area not disturbed by artisanal mining
- 10 artisanal mining sites identified by surface prospecting, all of which are exploiting in-situ mineralisation, including a gold-quartz system in the north which extends for over 500m along strike
- Several gold-bearing quartz vein systems identified and noted to be closely associated with regional shear zones
- Geology noted to feature a diverse assembly of volcano-sedimentary and volcanic rocks, complemented by granitic intrusive units and structural features of multiple orientations to produce a fertile environment for gold mineralisation
- **20km-long** north-trending regional shear noted to extend the length of the Property and link zones of artisanal mining activity
- Follow-up work programs planned, including a targeted soil-infill program and mapping of artisanal workings
- Targeting high-grade mineralisation to support either a stand-alone operation or as satellite feed to Sarama’s other interests in the ThreeBee Project, which includes the Bondi Deposit¹

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

“We are encouraged by the initial stages of exploration at the newly-acquired Botoro Property that is part of Sarama’s 100%-owned ThreeBee Project. The identification of several, regional-scale shear zones and associated gold mineralisation indicates that the Property has good exploration potential. The highest soil sample assay of 4.4g/t Au is unusually high for this area of the southern Houndé Belt and may indicate the potential for the presence of a high-grade mineralised system. We hope to advance the Property by conducting further exploration activities in the coming exploration season to delineate targets for prioritisation.”

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Botoro Property Exploration

Location and Work History

The 224km² Botoro Property is located on the eastern flank of the well-endowed southern Houndé Greenstone Belt and is part of the Company's 100%-owned, 660km² ThreeBee Project (refer Figure 1). The Property is well positioned with respect to known gold occurrences, being approximately 20km from Sarama's Bondi Deposit¹ and adjacent to the South Houndé Project (2.1Moz inferred mineral resource)⁴.

A desktop review by Sarama on the Botoro Property concluded that historical work was very limited in scope and specifically targeted discrete areas hosting artisanal activity. Despite this narrow focus, the reconnaissance-type drilling programs yielded encouraging results with high-grade mineralisation intersected directly under the artisanal workings.

The high-grade nature of the known mineralised systems, presence of structural features, lithological diversity and the lack of systematic exploration over most of the Property augers well for future exploration success.

Mineralisation Occurrence Mapping and Soil Geochemical Survey by Sarama

Sarama undertook a soil geochemical survey over all the greenstone rocks within the permit area using an initial, wide-spaced grid of 800m x 200m to identify mechanical gold dispersion beneath the aeolian and thin colluvial horizons.

The first-pass survey was successful in identifying several areas of km-scale gold-in-soil anomalism that are proximal to contrasting lithological and structural features (refer Figure 2), illustrating the potential for the Property to host gold mineralisation.

Of principal interest are three zones of gold-in-soil anomalism, each extending over a distance of **2-3km** and defined by +8ppb Au and +20ppb Au contours (90th and 98th population percentiles respectively), within a **10km-long** corridor that is proximal to a north-trending regional-scale fault. Each of these three areas is proximal to cross-orientation trends of minor soil anomalism, potentially suggesting a favourable structural environment for gold deposition.

In addition to these main areas, several other anomalous zones, trending north-east and east-west, were delineated by +8ppb Au and +20ppb contours. These are also proximal to interpreted structural features, indicating potential for in-situ gold mineralisation.

Outside of these trends, several single-point anomalies (+250ppb Au) punctuated the survey area, with the highest result being 4,420ppb Au (4.4g/t Au) from an area far removed from artisanal activity. The results are significant in that several areas of gold anomalism are found in undisturbed areas and along interpreted shear projections. A number of areas have been prioritised for follow-up by infill soil sampling at a grid spacing of 100m x 100m.

Mapping and prospecting by Sarama has delineated 10 present and former artisanal working sites that range from large areas of surficial panning over a 1km² area in the south-east quadrant of the Property to scattered and smaller areas characterised by pitting at shallow to moderate depths. All the artisanal areas are noted to be focused on **in-situ** quartz-gold vein systems or surficial enrichment via erosional deflation, which reinforces the prospectivity of the Property.

The large artisanal working site in the north of the Property has some of the deepest artisanal shafts, some which are concrete lined and extending 40m deep, where a series of north-trending, gold-quartz veins have been exploited by artisanal miners over a strike length of 500m.

Faults, shear zones and lithologic contact areas are observed to be the main host environments with gold mineralisation being associated with quartz veins of various orientations.

Geological Mapping

Reconnaissance-level geological mapping by Sarama (refer Figure 2) concludes that the Property is underlain by abundant Birimian greenstone units (65%), with the rest of the area underlain by various granitoid bodies (35%).

The more prevalent volcano-sedimentary, andesitic-to-basaltic volcanic rocks and minor volcanic breccias or pyroclastic flows are similar rocks to those which host gold deposits of significance within the Houndé Greenstone Belt, such as the Mana, Yaramoko and Houndé mines.

A north-trending tonalite-granodiorite intrusion is mapped along the eastern side of the Property and is part of a large batholith that separates the Boromo and Houndé Greenstone Belts. The contact is marked by shearing and contact metamorphism. A syn-to-late granite intrusion, similar to the granite associated with Roxgold Inc's Yaramoko deposit, lies along the northern perimeter of the Property and is part of the larger Bondigui Stock that stretches further to the north. Small east-trending felsic dykes have also been noted in the mapping program.

Several orientations of permit- and regional-scale faults and shears have been interpreted throughout the Property including a significant east-trending fault recognised within a large artisanal mining site in the centre-east of the Property where intense foliation and aligned gold-quartz veins are found. A 20km-long north-trending fault is interpreted through the central part of the Property linking artisanal workings in the north to the high-grade, single-point gold-in-soil anomaly (4,420ppb Au, 4.4g/t Au) in the southern extremity of the Property. Adding to the structural setting is a north-north-east-trending, banded and silicified zone in the central basalt domain, interpreted as a mylonite and marking a possible, regional-scale shear zone.

The lithological diversity, presence of multiple regionally extensive structural features of varying orientations and presence intrusive units demonstrates an active geological environment with good potential to host gold mineralisation of significance.

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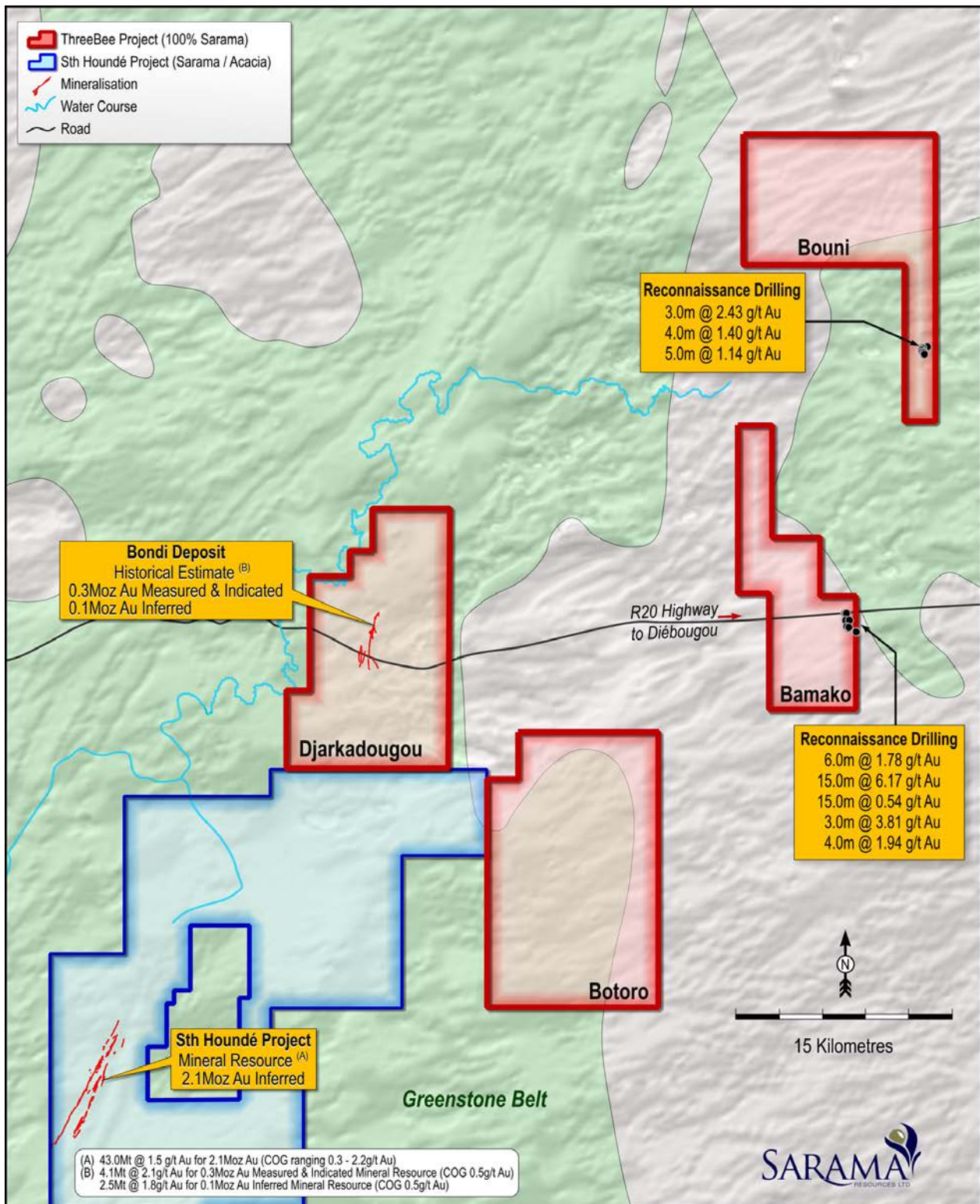


Figure 1 – ThreeBee Project Location Map^{1,2,3,4,6}

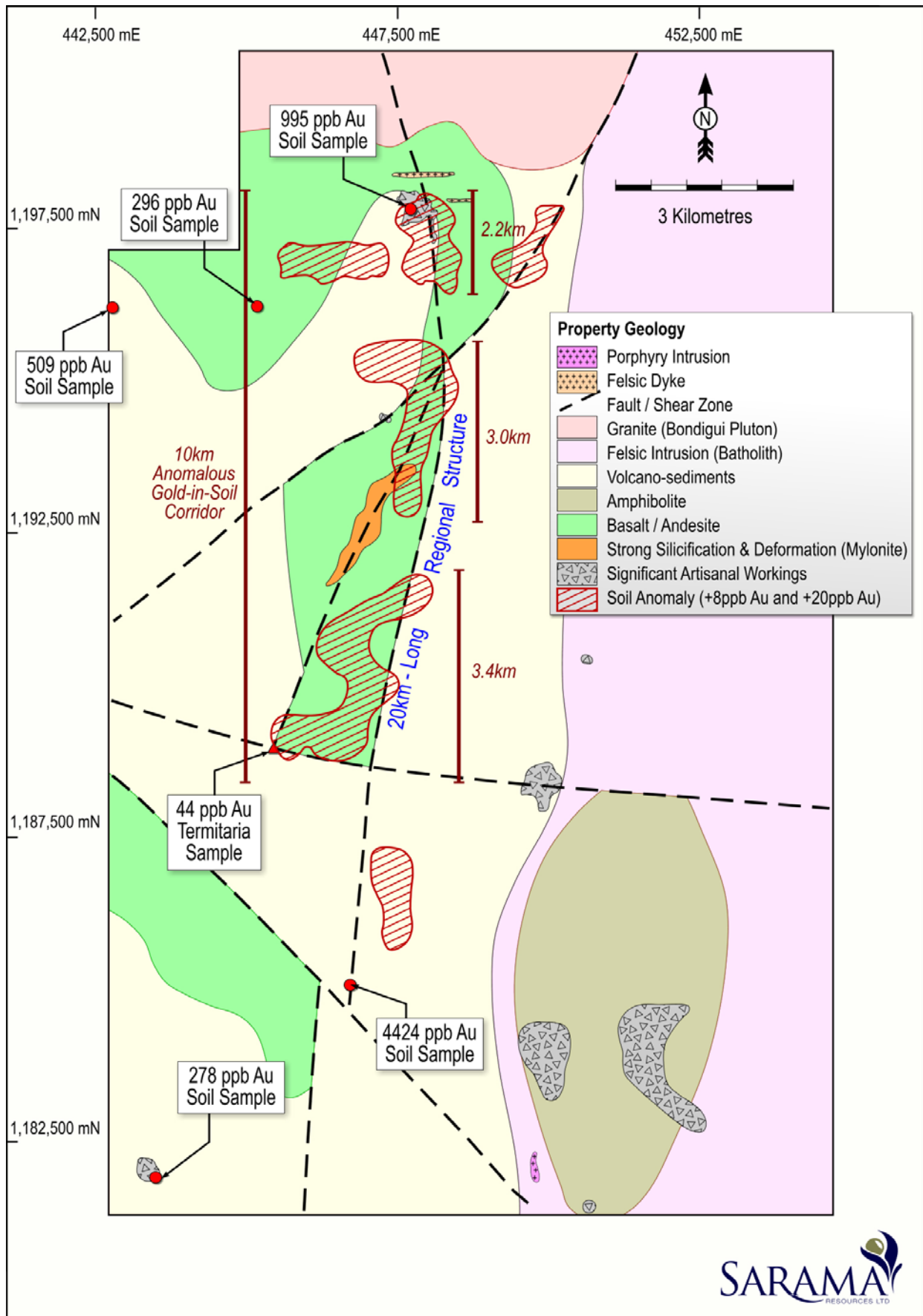


Figure 2 – Botoro Property Geology Map with Highlighted Exploration Results

ABOUT SARAMA RESOURCES LTD

Sarama Resources Ltd (TSX-V: SWA) is a West African focused gold explorer with substantial landholdings in Burkina Faso. Sarama is focused on consolidating under-explored landholdings in Burkina Faso and other established mining jurisdictions.

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 an inferred mineral resource estimate of 2.1 Moz gold⁴. Acacia Mining plc is earning up to a 70% interest in the South Houndé Project by satisfying certain conditions, including funding earn-in expenditures of up to US\$14 million, over a 4-year earn-in period and may acquire an additional 5% interest, for an aggregate 75% interest in the Project, upon declaration of a minimum mineral reserve of 1.6 million ounces of gold. Acacia has satisfied certain milestones and currently holds a 50% interest in the South Houndé Project and is continuing to sole fund exploration activities.

Sarama holds a 31% participating interest in the Karankasso Project Joint Venture ("JV") which is situated adjacent to the Company's South Houndé Project in Burkina Faso and is a JV between Sarama and Savary Gold Corp. ("Savary"). Savary is the operator of the JV and in October 2015, declared a maiden inferred mineral resource estimate of 671,000 ounces of contained gold⁵ at the Karankasso Project JV.

Sarama has also agreed to acquire¹ a 100% interest in the Bondi Deposit from Orezone Gold Corporation (refer news release May 24, 2016). Bondi has a historical estimate of mineral resources of 0.3Moz Au (measured and indicated) and 0.1Moz Au (inferred)³.

Together, the South Houndé Project, Bondi Deposit and the Karankasso Project form a cluster of advanced gold deposits, within trucking distance of one another, which potentially offers a development option for a multi-source fed central processing facility in the southern Houndé Belt region of Burkina Faso.

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 sound exploration strategy across its property portfolio.

FOOTNOTES

1. Upon closing of the respective purchase agreements, Sarama will hold a 100% interest in the Botoro Property and the Djarkadougou Property, which hosts the Bondi Deposit.
2. The ThreeBee Project comprises the Djarkadougou, Botoro, Bamako and Bouni Properties.
3. Bondi Deposit - 4.1Mt @ 2.1g/t Au for 282,000 oz Au (measured and indicated) and 2.5Mt @ 1.8g/t Au for 149,700 oz Au (inferred), reported at a 0.5 g/t Au cut-off.
 - i. The historical estimate of the Bondi Deposit reflects a mineral resource estimate compiled by Orezone Gold Corporation ("Orezone") which has an effective date of February 20, 2009. The historical estimate is contained in a technical report titled "Technical Report on the Mineral Resource of the Bondigui Gold Project", dated date of February 20, 2009 (the "Bondi Technical Report") and is available under the profile of Orezone on SEDAR at www.sedar.com.
 - ii. Sarama believes that the historical estimate is relevant to investors' understanding of the property, as it reflects the most recent technical work undertaken in respect of the Bondi Deposit.
 - iii. The historical estimate was informed by 886 drillholes, assayed for gold by cyanidation methods, were used to interpret mineralised envelopes and geological zones over the area of the historical estimate. Gold grade interpolation was undertaken using ID² methodology based on input parameters derived from geostatistical and geological analyses assessments. Field measurements and geological logging of drillholes were used to determine weathering boundaries and bulk densities for modelled blocks.
 - iv. The historical estimate uses the mineral resource reporting categories required under National Instrument 43-101.
 - v. No more recent estimates of the mineral resource or other data are available.
 - vi. Sarama is currently undertaking the necessary verification work in the field and on the desktop that may support the future reclassification of the historical estimate to a mineral resource.
 - vii. A qualified person engaged by Sarama has not undertaken sufficient work to verify the historical estimate as a current mineral resource and Sarama is therefore not treating the historical estimate as a current mineral resource.

4. *South Houndé Project - 43.0 Mt @ 1.5 g/t Au (reported above cut-off grades ranging 0.3-2.2 g/t Au, reflecting the mining methods and processing flowsheets assumed to assess the likelihood of the inferred mineral resources having reasonable prospects for eventual economic extraction). The effective date of the Company's inferred mineral resource estimate is February 4, 2016. For further information regarding the mineral resource estimate please refer to the technical report titled "NI 43-101 Independent Technical Report South Houndé Project Update, Bougouriba and Ioba Provinces, Burkina Faso", dated March 31, 2016. The technical report is available under Sarama Resources Ltd.'s profile on SEDAR at www.sedar.com.*
5. *Karankasso Project - 9.2 Mt @ 2.3 g/t Au (at a 0.5 g/t Au cut-off). The effective date of the Karankasso Project JV mineral resource estimate is October 7, 2015. For further information regarding the mineral resource estimate please refer to the technical report titled "Technical Report and Resource Estimate on the Karankasso Project, Burkina Faso", dated October 7, 2015. The technical report is available under Savary Gold Corp's profile on SEDAR at www.sedar.com. Sarama has not independently verified Savary's mineral resource estimate and takes no responsibility for its accuracy. Savary is the operator of the Karankasso Project JV and Sarama is relying on their Qualified Persons' assurance of the validity of the mineral resource estimate.*
6. *For further information regarding the drilling on the Bamako and Bouni Properties, please refer to the technical report titled "NI 43-101 Independent Technical Report South Houndé Project Update, Bougouriba and Ioba Provinces, Burkina Faso", dated October 28, 2013. The technical report is available under Sarama Resources Ltd.'s profile on SEDAR at 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 plans for exploration at the ThreeBee Project and the potential for the Botoro Property to host gold mineralization of significance, drilling and geochemical and geophysical surveys at the South Houndé Project, the Earn-In Agreement with Acacia, including the amounts that may be spent on exploration and interests in the South Houndé Project that may be earned by Acacia upon making certain expenditures and estimating a minimum reserve, the potential to expand the present oxide component of the Company's existing estimated mineral resources, and future exploration plans.

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, Acacia's continued funding of exploration activities, 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.

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.

NOTES – EXPLORATION ACTIVITIES

The soil geochemistry survey at Botoro was conducted on 800m x 200m (E-W x N-S) grid over the greenstone portion of the Property, with hand-dug samples being taken in the appropriate level in the soil horizon. Termitaria sampling was conducted in conjunction with the soil geochemistry survey where termite mounds were present and warranted sampling. Termitaria sampling was conducted using sieved material from quarter cone sampling of each mound.

Analytical work for the Botoro soil geochemistry and termitaria survey was undertaken by the SGS A.A. laboratory in Ouagadougou, Burkina Faso. Assays are determined by 'bulk leach extractable gold' method on approximately 2kg of sample material, with an atomic absorption spectroscopy ("AAS") finish. Lower and upper detection limits are 1ppb Au and 10,000ppb Au respectively.

The reported assay values are as received for the specific samples and no grade cutting has been applied.

Sarama undertakes geological sampling and assays in accordance with its quality assurance/quality control program which includes the use of reference materials prepared in-house for soil geochemistry surveys.

A total of 842 samples were taken for the survey, with 65% returning Au values over the lower analytical detection limit. The survey returned minimum and maximum Au values of 2ppb Au and 4,424 ppb Au respectively with the mean and median Au values of the data set being 11ppb Au and 2ppb Au respectively. The 25th and 75th percentiles for the survey were 0.5ppb Au (equivalent to half detection limit) and 4ppb Au respectively with standard deviation being 158ppb Au.

Gold anomalism trends were identified by visual examination of interpolated Au value maps produced using inverse distance weighting (squared) methodology over an equi-directional search distance of 800m and a cell size of 200m. Identified trends generally corresponded to the 90th and 98th percentiles of the Au value population (+8 ppb Au and +20 ppb Au respectively). Identified trends were validated by assessment with sample logging

and regolith data.

For further information regarding the Company's general sampling and QAQC protocols please refer to the technical report titled "NI 43-101 Independent Technical Report, South Houndé Project Update, Bougouriba and Ioba Provinces, Burkina Faso", dated March 31, 2016. The technical report is available under the Company's profile on SEDAR at www.sedar.com.

QUALIFIED PERSONS' STATEMENT

Scientific or technical information in this news release that relates to the Company's exploration activities in Burkina Faso is based on information compiled or approved by Guy Scherrer. Guy Scherrer is an employee of Sarama Resources Ltd and is a member in good standing of the Ordre des Géologues du Québec and has sufficient experience which is relevant to the commodity, style of mineralisation under consideration and activity which he is undertaking to qualify as a Qualified Person under National Instrument 43-101. Guy Scherrer consents to the inclusion in this report 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 South Houndé Project 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.

Scientific or technical information in this news release, in respect of the Bondi Deposit relating to mineral resource and exploration information drawn from the Technical Report prepared for Orezone on that deposit has been approved by Guy Scherrer. Guy Scherrer is an employee of Sarama Resources Ltd and is a member in good standing of the Ordre des Géologues du Québec and has sufficient experience which is relevant to the commodity, style of mineralisation under consideration and activity which he is undertaking to qualify as a Qualified Person under National Instrument 43-101. Guy Scherrer consents to the inclusion in this report 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 Karankasso Project's mineral resource estimate is based on information compiled or approved by Eugene Puritch and Antoine Yassa. Eugene Puritch and Antoine Yassa are employees of P&E Mining Consultants Inc. and are considered to be independent of Savary Gold Corp. and Sarama Resources Ltd. Antoine Yassa is a member in good standing of the Ordre des Géologues du Québec and Eugene Puritch is a member in good standing of Professional Engineers Ontario. Eugene Puritch and Antoine Yassa have sufficient experience which is relevant to the commodity, style of mineralisation under consideration and activity which they are undertaking to qualify as a Qualified Person under National Instrument 43-101. Eugene Puritch and Antoine Yassa consent to the inclusion in this news release of the information, in the form and context in which it appears. Sarama has not independently verified Savary's mineral resource estimate and takes no responsibility for its accuracy.