

MAY 16, 2017



SARAMA RESOURCES INCREASES EXPLORATION INTERESTS IN THE HOUNDÉ BELT, BURKINA FASO

VANCOUVER, CANADA. Sarama Resources Ltd. (“**Sarama**” or the “**Company**”) (TSX-V:SWA) is pleased to advise that it has agreed to acquire a 100% interest in the Botoro exploration property (“**Botoro**” or the “**Property**”) in south-west Burkina Faso. Botoro complements Sarama’s mineral property interests in the highly prospective southern Houndé Belt and increases the size of its 100%-owned⁴ ThreeBee Project to approximately 660km².

Highlights

- Acquisition is consistent with Sarama’s strategy to enhance, diversify and materially increase its position in the southern part of the prolific Houndé Belt
- Botoro Property covers 224km² and is located within trucking distance of Sarama’s 100%-owned Bamako, Djarkadougou and Bouni Properties, altogether forming the ThreeBee Project
- Underlain by a diverse suite of volcanic and meta-sedimentary rocks known to host gold deposits of significant size in the region, with prospectivity further enhanced by district-scale faults and shear zones traversing the Property
- Botoro shares geological similarities to Sarama’s Djarkadougou Property, which hosts the **Bondi Deposit** (historical estimate mineral resources of **0.3Moz Au** measured and indicated and **0.1Moz Au** inferred³)
- Potential to build on existing gold occurrences within the ThreeBee Project which includes the **Bondi Deposit** and yet to be followed-up drill intersections at the Bamako Property which include **15m @ 6.17g/t Au** from 9m and **6m @ 1.78g/t Au** from surface
- No systematic modern-day exploration has been conducted on Botoro
- Substantial artisanal mining infrastructure previously established in several areas within the Property
- ThreeBee Project is independent of, but complementary to other projects in the region including Sarama’s South Houndé Project which hosts a gold mineral resources of 2.1Moz¹ and also Teranga Gold Corporation’s (“**Teranga**”) Golden Hill Project where encouraging new gold discoveries have recently been announced⁶

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

“We are excited about the acquisition and the exploration potential of the Botoro Property and also the strengthening of our position in the southern Houndé Belt. Importantly, Botoro complements our 100% owned ThreeBee Project and provides us with additional options outside our current joint ventures in the Houndé Belt.

Teranga’s recently announced discoveries at their Golden Hill Project, situated less than 20km from Sarama’s Bondi Deposit, further shows the potential on the eastern part of the belt and we look forward to the results from our generative exploration work on Botoro that has already commenced.”

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

Andrew Dinning or Paul Schmiede

e: info@saramaresources.com

t: +61 (0) 8 9363 7600

AUSTRALIA

Suite 8, 245 Churchill Avenue
Subiaco, Western Australia 6008

PO Box 575, Subiaco
Western Australia 6904

T +61 (0) 8 9363 7600
F +61 (0) 8 9382 4309

E info@saramaresources.com
ARBN: 143 964 649

www.saramaresources.com

Botoro Property Location & Strategic Fit

The 224km² Botoro Property is located on the eastern margin of the Houndé Belt and is well positioned relative to Sarama's existing mineral property interests in the area. Apart from having untested exploration potential itself, the Property is a key component of the Company's 100%-owned ThreeBee Project, which also includes the prospective Djarkadougou, Bamako and Bouni Properties.

Botoro is located approximately 20km from the centroid of the Bondi Deposit (on the Djarakdougou Property) which has a historical estimate of mineral resources of 0.3Moz Au measured and indicated and 0.1Moz Au inferred³ and offers potential for the discovery of truckable feed to support eventual project development.

The ThreeBee Project is also complimented by the early-stage exploration properties of Bamako and Bouni upon which reconnaissance drilling programs by Sarama have returned encouraging historical⁵ drill intersections including:

- 15m @ 6.17g/t Au from 9m (FRC384, Bamako);
- 6m @ 1.78g/t Au from surface FRC384, Bamako);
- 3m @ 3.81g/t Au from 63m (FRC489, Bamako);
- 4m @ 1.94g/t Au from 48m (FRC385, Bamako);
- 3m @ 2.43g/t Au from 37m (FRC108, Bouni);
- 4m @ 1.40 g/t Au from 26m (FRC101, Bouni); and
- 5m @ 1.14g/t Au from 33m (FRC101, Bouni).

These intersections were returned in 2011/12, but have never been fully followed-up by Sarama given the Company's coincident discovery on the South Houndé Project which subsequently became the primary focus. When considered in the context of the demonstrated prospectivity of Sarama's other properties within the ThreeBee Project, these historical intersections demonstrate good potential for the discovery of exploitable gold mineralisation.

It is notable that the Botoro Property is underlain by the same geological sequence of rocks as Teranga's emerging Golden Hill Project to the north. Recent exploration by Teranga⁶ on the project has returned several higher grade intersections over mineable widths which reinforce the excellent historical drill results of previous operators⁶ on the Golden Hill Project.

Botoro Property Geology and Gold Occurrences

The geology of the Botoro Property is typical of other properties in the Houndé Belt where Sarama has had significant exploration success and broadly consists of a sequence of alternating volcanic and metasedimentary rocks oriented in an approximate north-south orientation (refer Figure 2). In addition to the presence of a regionally extensive granitic belt along the eastern and northern margins of the Property, several localised felsic intrusions are also present, all of which result in zones of deformation and contact metamorphism. A property-scale fold structure is interpreted, which is bounded on its eastern side by a district-scale north-north-east trending shear zone. The diversity of these geological units and their litho-structural contacts present areas of interest for gold exploration.

The Property is also interpreted to feature several regionally extensive first and second-order faults and shear zones, further adding to the Property's exploration potential.

Site visits conducted by Sarama have identified several areas of significant gold exploitation by artisanal miners. In general, these activities targeted gold-bearing quartz veins down to depths of approximately 40m (refer Plates 1 and 2). Gold was also noted in the weathered zones of both mafic and felsic rock units.

Sarama plans to focus initial exploration activities on artisanal mining areas and prospective zones located proximal to major structural features within the Property. Forward work programs include geological mapping, regolith mapping, soil geochemistry surveys and data collection from artisanal workings.

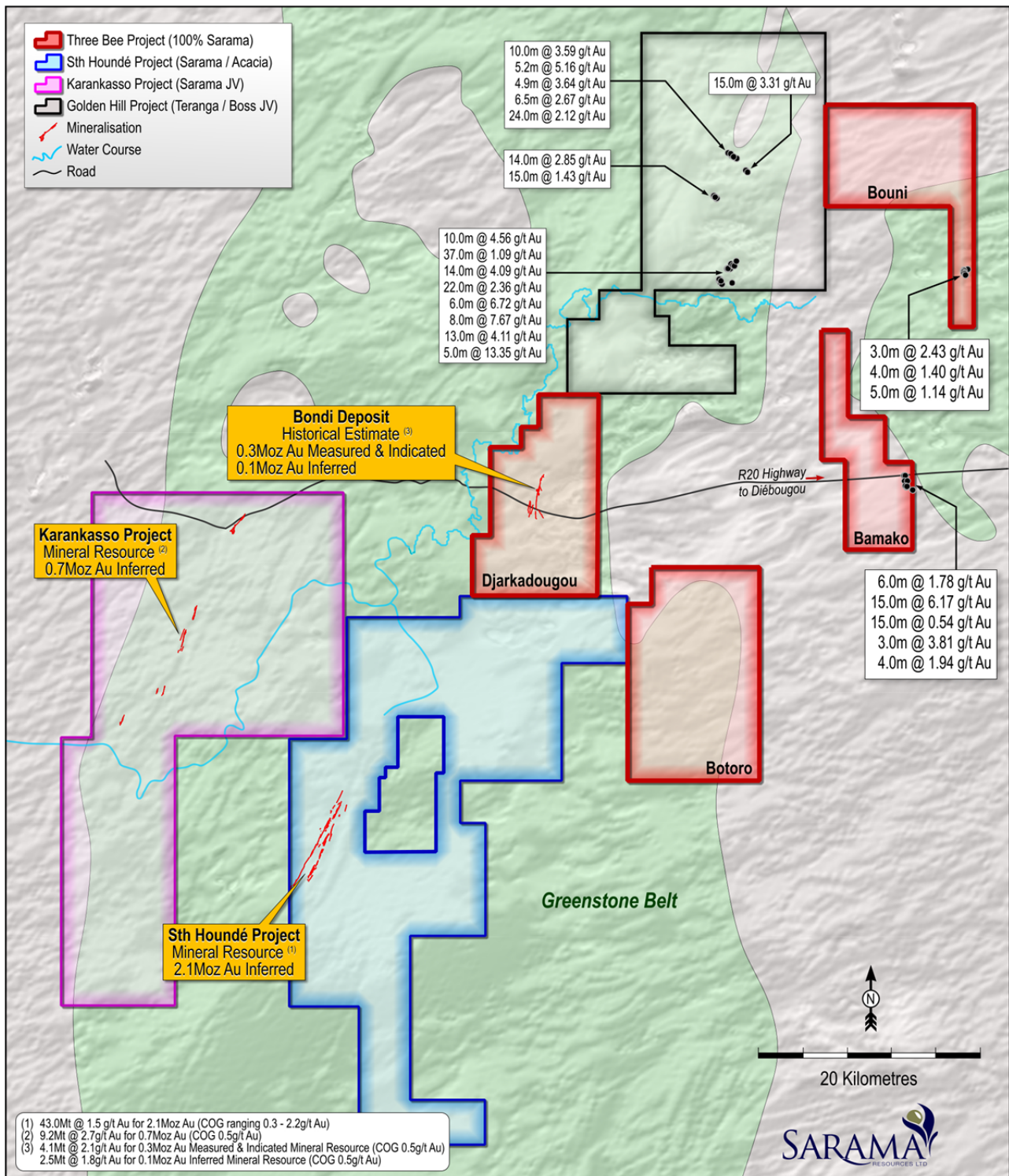


Figure 1 – Location Plan of Botoro Property (ThreeBee Project in Red)

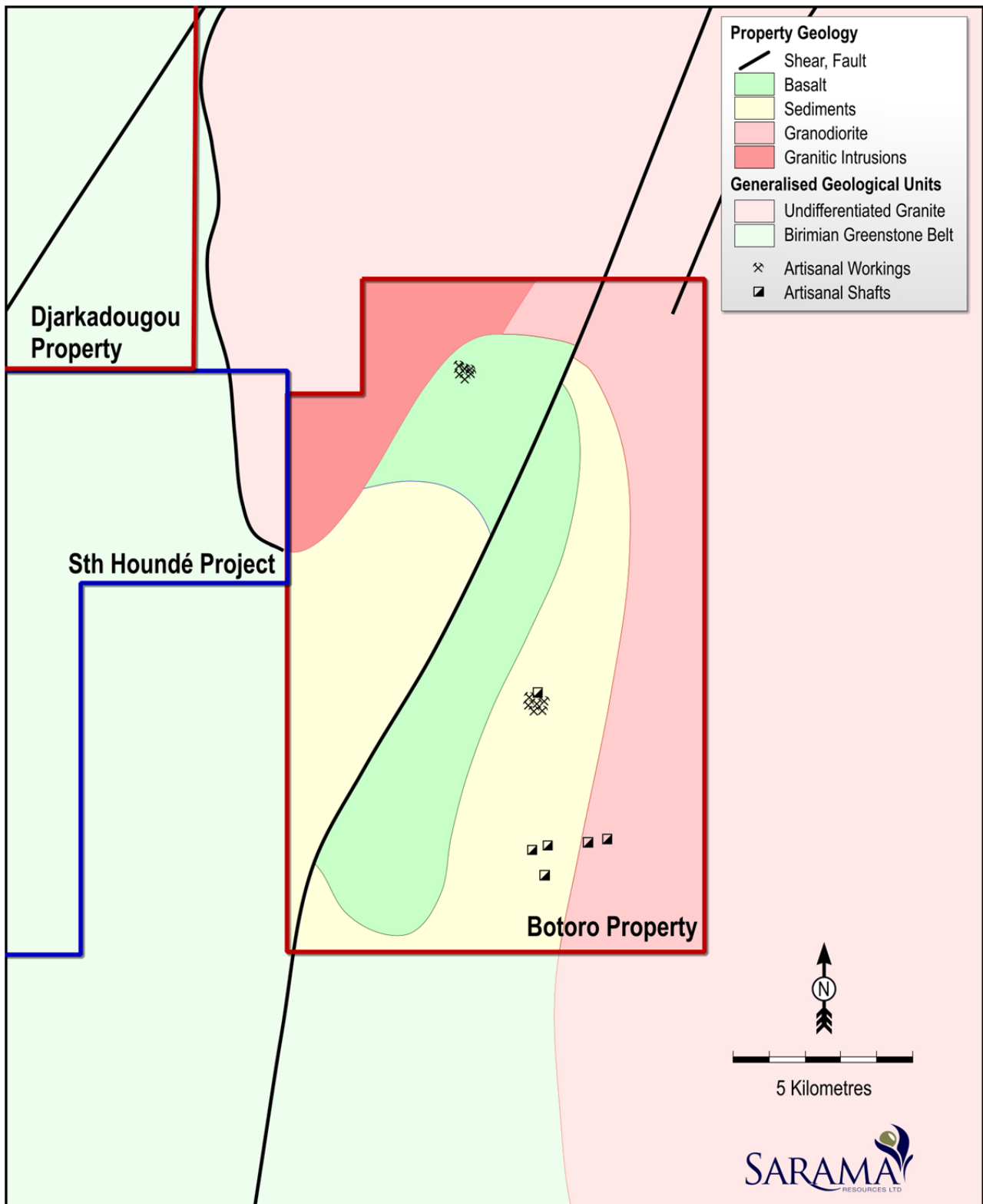


Figure 2 - Geology Map of the Botoro Property



Plate 1 – Artisanal Gold Mining Infrastructure Established to Depths of 40m



Plate 2 – Extensive Artisanal Gold Mining Workings in Prospective Areas

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 gold¹. 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.

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 gold² at the Karankasso Project JV.

Sarama has also agreed to acquire 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.

-
1. *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.*
 2. *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.*
 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. *Upon closing of the respective purchase agreements for Botoro and Djarkadougou, Sarama will have 100% interest in the Botoro, Djarkadougou, Bamako and Bouni Properties which together comprise the ThreeBee Project.*
5. *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.*
6. *Results of exploration activities on the Golden Hill Project by Teranga Gold Corporation are sourced from Teranga Gold Corporation's news release "Teranga Gold Announces Two New Gold Discoveries at Golden Hill Property in Burkina Faso", dated April 25, 2017. Results of exploration activities on the Golden Hill Project by operators prior to Teranga Gold Corporation are sourced from Gryphon Minerals Limited's news release "Exploration Pipeline Update", dated March 5, 2014.*

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 intention to acquire the Botoro Property and its plans to explore and develop the Botoro Property and the ThreeBee Project, exploration activities 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, future exploration plans and the potential development of the Bondi, Karankasso and South Houndé Projects on a combined basis. 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.

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 Company's references to the exploration activities of Teranga Gold Corporation and Gryphon Minerals Limited on the Golden Hill Project in Burkina Faso is based on information compiled or approved by Paul Schmiede. Paul Schmiede is an employee of Sarama Resources Ltd and 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. Paul Schmiede 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'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.

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.

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.