

August 22, 2014



## POSITIVE METALLURGICAL TEST RESULTS FROM HOUNDÉ SOUTH JOINT VENTURE PROPERTY

VANCOUVER, CANADA. Sarama Resources Ltd. (“Sarama” or the “Company”) is pleased to advise that Savary Gold Corp. (“Savary”) announced on August 21, 2014 that preliminary metallurgical testing results showed gold recoveries averaged in excess of 93% for sulphide/non-oxidised mineralisation from three prospects on the Houndé South property. The Houndé South property is part of the permit package under a Head of Agreement (“HoA”) for the formation of a Joint Venture (“JV”) between Sarama and Savary, who will retain operatorship.

A summary of the gold extractions obtained by 72-hour cyanide bottle roll tests are as follows:

- **Kien – four samples averaging 95.4% Au extraction**
- **Karangosso – two samples average 87.3% Au extraction**
- **Kueredougou – one sample with 96.5% Au extraction**

Each of the seven mineralized, fresh rock assay pulp samples (ground to 95% passing 106µm) were first re-assayed and then subjected to timed bottle roll gold recovery, with a cyanide-rich fluid and tested for gold content after 12, 24, 36, 48 and 72 hours\*. Sarama is pleased with the high gold extractions achieved in this mineralisation which lies approximately 15 kilometres west of the Company’s 1.5Moz<sup>1,2</sup> South Houndé Project. The results of Savary’s test work indicates that mineralisation and metallurgical performance can vary significantly between deposits within the same geological trends and regional belts which may have a bearing on future exploration undertaken by the Company.

Sarama believes the encouraging results of recent metallurgical testing and exploration activities on the JV area highlight the region’s prospectivity and is optimistic about the Company’s South Houndé Project reaching critical mass to support the development of a mine.

### Joint Venture Agreement Update

Sarama is close to finalizing the JV with Savary which follows a HoA signed with Savary on March 10, 2014. The HoA covers the establishment of a Joint Venture Company (“JVCo”) holding Sarama’s Sérakoro 1 property and Savary’s Houndé South property in Burkina Faso.

The JVCo will be 65% owned by Savary and 35% owned by Sarama and will govern the JV’s exploration and development activities over an area of 750 km<sup>2</sup> in the highly prospective Houndé greenstone belt. Savary has previously reported that the combined properties host 50 km and 24 km long, mining camp scale, gold-in-soil anomalies which when tested, have returned numerous gold-bearing intercepts that require follow-up (see Figure 1 below).

*\*As disclosed in Savary’s news release dated August 21, 2014 and for further information regarding these metallurgical testing results, please refer to Savary’s news release.*

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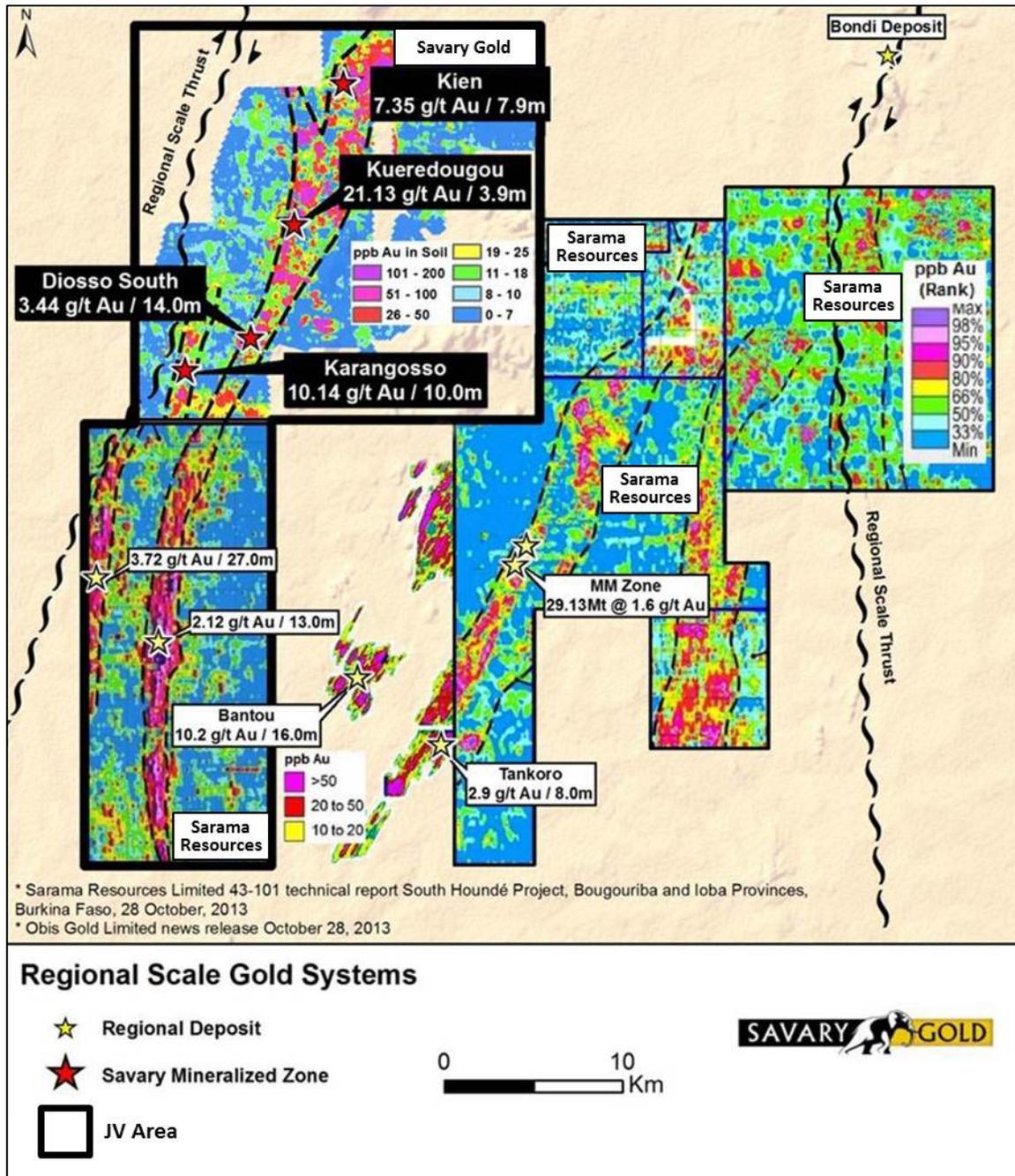


Figure 1 - Soil Geochemistry and Prospect Map of Sarama's Interests in Southern Houndé Belt

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

*"We are pleased to be finalising the joint venture agreement with Savary and that the metallurgical testing undertaken has shown primary mineralisation to deliver high recoveries and appears to be non-refractory. We believe the South Houndé Gold Belt is a great exploration address and we are highly encouraged by the results of Savary's recent drill program and metallurgical testwork. We look forward to working with Savary and advancing our regional interests to the next stage."*

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

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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>1,2</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.

1. 29.13 Mt @ 1.6 g/t Au (at a 0.8 g/t Au cut-off)
2. 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 entering into of the joint venture agreement with Savary, the operation of the joint venture by Savary on property which includes Sérakoro 1 and Houndé South and future exploration on the land to be covered by the joint venture. 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 completion of the joint venture agreement depends on, among other things, the satisfaction of conditions precedent that are usual in a transaction of this nature, including the receipt of regulatory approvals, 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 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.*