

SARAMA RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the three months (first quarter) ended March 31, 2020

Dated: May 29, 2020

(All amounts expressed in United States dollars, unless otherwise stated)

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INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is intended to supplement the condensed interim consolidated financial statements of Sarama Resources Ltd. (the "Company" or "Sarama") and its subsidiaries for the three months ended March 31, 2020.

The condensed interim consolidated financial statements for the three months ended March 31, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in United States dollars, unless otherwise stated.

This MD&A is current as at May 29, 2020.

Additional information relating to the Company is available on SEDAR at www.sedar.com under the Company's profile.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's planned exploration and development activities, costs and timing of future exploration, results of future exploration and drilling, timing and receipt of approvals, consents and permits under applicable legislation, and the adequacy of financial resources. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be forward-looking information. Wherever possible, words such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information.

Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation: our limited operating history, negative operating cash flow and need for additional financing; the early stage of our exploration and the fact that we have no mineral reserves; global economic conditions; our dependence on key management and qualified personnel; exploration, development and mining risks; title and property risks; risks related to the presence of artisanal miners; risks associated with operations in Africa; risks associated with pandemics and health, risks associated with maintaining a skilled workforce; risks relating to government regulations; environmental laws, regulations and risks; uncertainty regarding our ability to acquire necessary permits and comply with their terms; infrastructure risks; uninsurable risks; risks regarding our ability to enforce our legal rights; market factors and volatility of commodity prices; fluctuations in foreign exchange rates; competition; acquisition risks; conflicts of interest; price volatility in publicly traded securities; dilution; dividends and "passive foreign investment company" tax consequences to U.S. shareholders.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

Assumptions have been made regarding, among other things: our ability to carry on exploration and development activities, our ability to meet our obligations under our property agreements, the timing and results of drilling programs, the discovery of mineral resources and mineral reserves on our mineral properties, the timely receipt of required approvals, the price of gold, the costs of operating and exploration expenditures, our ability to operate in a safe, efficient and effective manner and our ability to obtain financing as and when required and on reasonable terms. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may have been used.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. We cannot assure you that such information will prove to be accurate,

as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except in accordance with applicable securities laws.

OVERVIEW

Sarama is a Canadian-incorporated mineral exploration and development company whose principal business objective is to explore for and develop gold deposits in West Africa.

The Company was incorporated on April 8, 2010 under the Business Corporations Act (British Columbia). The Company's primary office is located in Perth, Western Australia. The Company's common shares are listed on the TSX Venture Exchange ("**TSXV**"). The Company's symbol is "SWA".

The Company has built and advanced substantial exploration landholdings in prospective and underexplored areas in West Africa, with a central focus on the southern Houndé greenstone belt in south-west Burkina Faso. As at March 31, 2020, the Company has significant interests in three Projects with mineral resources and is actively building exploration positions in other prospective areas.

Exploration and development activities are focussed within 2 major project areas in the south west of Burkina Faso with the most advanced being the southern Houndé Belt development area which hosts the South Houndé Project⁽⁴⁾ (2.1 Moz Au inferred mineral resources⁽¹⁾) and the adjoining ThreeBee Project (0.3Moz Au measured and indicated and 0.1Moz Au inferred mineral resource (historical)⁽³⁾). The Koumandara Project is an early-stage, regional exploration play and is located within the Banfora Belt.

The Company holds a 19% interest in the Karankasso Project JV (0.7Moz Au inferred mineral resources⁽²⁾) which is operated by Semafo Inc ("**Semafo**"). On March 23, 2020, Endeavour Mining Corporation ("**Endeavour**") announced that they had entered into a definitive agreement to acquire Semafo and that the transaction is anticipated to close in the quarter ending June 30, 2020. Sarama and Endeavour have been proactive in discussions with respect to the management of the Karankasso Project JV and opportunities to create further value for both companies.

CORPORATE

Treasury

As at March 31, 2020, the Company had cash and cash equivalents of \$1,260,158 and no debt.

EXPLORATION AND EVALUATION EXPENDITURE

During the current period the Company incurred exploration expenditure of \$455,995.

The costs per active project area per each quarter for the current period ending March 31, 2020 and preceding four quarters is as follows;

	Three months ended March 31, 2019	Three months ended June 30, 2019	Three months ended September 30, 2019	Three months ended December 31, 2019	Three months ended March 31, 2020
South Houndé	-	599,925	184,522	130,600	321,867
ThreeBee	19,719	23,185	22,244	259,307	104,698
Koumandara	223,204	181,089	298,550	117,462	24,461
Other – Burkina Faso **	-	27,178	-	-	4,969
Full year Foreign Currency Translation	-	-	-	201,668	-
Total	242,923	831,377	505,316	709,037	455,995

** “Other – Burkina Faso” comprises properties within the Boromo and Bingo Projects

For the quarter ended March 31, 2020, the Company incurred exploration expenditure of \$456k. Expenditure incurred at the South Houndé Project was \$322k which included permit taxes and renewal fees (\$186k), plus allocation of administration, camp and technical support (\$136k). Costs at ThreeBee of \$105k including database management, permit taxes and renewal fees (\$40k), plus allocation of administration, camp and technical support (\$67k). Costs at Koumandara project of \$24k included Permit taxes and renewal fees (\$7k) plus allocation of administration, camp and technical support (\$17k).

PROPERTY INFORMATION, RECENTLY COMPLETED ACTIVITIES AND OUTLOOK

Burkina Faso

As at March 31, 2020 the Company had interests, directly and indirectly, in mineral properties covering an area of approximately 3,000km² located principally within the southern Houndé and Banfora Greenstone Belts, in south-west Burkina Faso. The exploration activities are primarily focussed within 2 geographical areas:

1. The southern Houndé Belt project area hosting the

- a. South Houndé Project,
- b. ThreeBee Project,
- c. Karankasso Project and;

2. The northern Banfora Belt project area hosting the

- a. Koumandara Project.

South Houndé Project

Property Information

The primary focus of the Company has been its South Houndé Project which comprises seven properties covering an area of approximately 790 km². It is located in the southern Houndé Belt, which hosts Semafo's Mana Gold Mine, Roxgold Inc.'s Yaramoko Gold Mine and Endeavour Mining Corp's Houndé Gold Mine, and recent +1Moz Au discoveries including Teranga's Golden Hill deposit and Endeavour Mining's Kari Pump deposit. Recent exploration by Semafo produced the Bantou Nord discovery approximately 5km from Sarama's South Houndé Project resource.

On November 27, 2014, the Company signed an earn-in agreement with Acacia. Over the ensuing 4 years, Acacia sole-funded project exploration and related expenditures of approximately \$13 million and earned rights to a 50% interest in the project. On May 14, 2019, (subsequently amended on November 18, 2019), the Company executed a binding agreement with Acacia that provided for the termination of the earn-in agreement, rescinding Acacia's rights, and providing Sarama with operational control of the project and a pathway for 100% ownership. On June 1, 2019, the Company formally regained operatorship of the project and in November 2019, the Company regained 100% ownership of the project.

On February 8, 2016 the Company announced an updated mineral resource estimate¹ of 43Mt @ 1.5g/t Au for 2.1Moz of contained gold (inferred). Cube Consulting Pty Ltd, Orway Mineral Consultants Pty Ltd and Kappes, Cassidy & Associates Australia Pty Ltd prepared the technical report titled "NI 43-101 Independent Technical Report, South Houndé Project, Bougouriba and Ioba Provinces, Burkina Faso", dated March 29, 2016 and filed on SEDAR (www.sedar.com). There are no material differences in the technical information contained in the technical report compared to the disclosure in the February 8, 2016 news release.

Subsequent exploration of the project has extended the strike length of drill-defined mineralisation to 12km and has identified new zones and prospects for follow-up.

Activities Completed in Q1 2020

- With advent of the COVID-19 pandemic and associated restrictions and risk mitigation measures, no fieldwork was undertaken during the quarter. The Company however continued to work on integration and review of recent and historical work on the project focussing on oxide and free-milling exploration targets in the main mineralised corridor and in certain regional areas.
- The Company continued to examine options for project configuration, including a review of tank-based and heap leaching alternatives, coupled with varying output ranges, construction approaches and funding models.

Outlook

The increasing gold price has the potential to broaden the scope for development of the project and potentially allows for alternate processing configurations to leverage the significant sulphide resource base to provide for a longer life and higher output project.

Sarama intends to continue framing up potential project development options considering the materially higher gold price with historical evaluation work identifying nominally a \$1,500/oz gold price as being a major inflection point for including the sulphide resource. Including the sulphide resource will result in a step change in the resource to reserve conversion ratio, a major increase in the potential reserve and related mining and processing economics.

The Company intends to undertake a resource development program aimed at firming up and increasing the oxide and free milling component of the mineral resource to further enhance potential project development options. Field activities will nominally include AC and RC drilling and metallurgical testwork to support project dimensioning work and it is anticipated these work programs and activities will be completed prior to commencing formal study work.

The Company's field and exploration activities are currently suspended due to the direct and indirect impact of the COVID-19 pandemic. The Company has taken all reasonable steps to minimise in-country expenditure while maintaining the structure of the business to enable orderly resumption of business when the situation allows.

ThreeBee Project

Property Information

The ThreeBee Project comprises four exploration properties (Djarkadougou, Botoro, Bamako_2 and Bouni) covering an area of 660 km² and lies immediately north and east of the South Houndé Project.

The project hosts the Bondi Deposit that lies fully within the Djarkadougou Property (currently subject to a government re-issue process) located immediately adjacent to and within trucking distance to Sarama's South Houndé Project. The deposit has a historical estimate of mineral resources³ of 282,000oz Au (measured and indicated) and 150,000 oz Au (inferred).

By virtue of the high-grade and free milling nature of the Bondi Deposit, the project has potential to provide valuable feed in a regional development scenario centred on the South Houndé Project when re-issued.

Regional exploration by the Company has identified a number of early-stage targets which have the potential to make meaningful additions to the historical mineral resource base of the project. The most advanced of these target areas is the Zanawa Prospect, located approximately 4km north-east of the Bondi Deposit, which has returned 22m @ 3.85g/t Au from 5m in DJR0029, 29m @ 1.44g/t Au from 1m and 10m @ 1.24g/t Au from 67m in DJR0030 and 5m @ 4.54g/t Au from 15m in DJA0141 in recent drilling by the Company.

Recent field mapping and reconnaissance work at the Bamako 2 Property has revealed the establishment of a large artisanal mining camp, which has opened a block of current workings measuring approximately 3km-long x 2km-wide. The workings have exposed numerous, subparallel gold-bearing quartz veins, extending for over 3km in strike length with gold-in-soil surveys return peak values of 13.6g/t Au. Drilling on the property has returned a number of significant intercepts including 15m @ 6.17g/t Au from 9m in FRC384, 8m @ 18.4g/t Au from 42m in BAR004 and 18m @ 1.20g/t Au from 44m in BAR003.

Activities Completed in Q1 2020

- The results of a 2,000m RC reconnaissance drill program completed on the Bamako 2 Property in Q4 2019 were received in Q1 2020. The program targeted areas where historical drilling returned high-grade intersections, including 15m @ 6.17g/t Au, and also to test potential for economic mineralisation in a +3km-long quartz-vein system which was identified in field prospecting work.
- Results in Q1 2020 from the Q4 2019 drill program on the Bamako 2 Property included a number of significant intercepts including 8m @ 18.4g/t Au from 42m in BAR004 and 18m @ 1.20g/t Au from 44m in BAR003 at the Mebar Prospect with over 50% of the 21-hole program returning significant intercepts.
- The Company continued to monitor and push the progress for the renewal and re-issue of the exploration permit for the Djarkadougou Property, and continued its dialogue with senior members of the government to expedite this process.

Outlook

The Company will continue to monitor and provide supporting documentation for the re-issue of the exploration permit for the Djarkadougou Property and is taking all appropriate steps to expedite this process. The Company continues to engage and have dialogue with relevant government authorities and decision makers however timeframes for the permit re-issue resolution is indeterminate.

The Company will continue to conduct desktop work to support its two-pronged strategy of systematic regional exploration for discovery of new mineralisation and secondly, validation of the large amount of historical data concentrated in the Bondi Deposit area with a view to generating new and extensional targets.

On the Djarkadougou Property, further field work, including drilling, is anticipated once the exploration permit has been re-issued.

Pending further field work and desktop assessment, further drilling is anticipated on the Botoro and Bamako 2 Properties to follow-up the areas of significance identified in the Q2 2018 and Q4 2019 drill programs.

Koumandara Project

Property Information

The Koumandara Project comprises four exploration properties covering an area of approximately 600 km² in the Banfora Belt and lies 80km west of the South Houndé Project. Historical work conducted by the Company

has resulted in the identification of significant zones of gold-in-soil anomalism and encouraging scout drilling results which are aligned with regional structural features, illustrating the region's prospectivity.

Activities Completed in Q1 2020

- The Company continued to compile historical exploration data for the constituent properties to facilitate a holistic exploration assessment of the project. This work included soil geochemistry and surface prospecting and auger, AC and RC drilling.
- No fieldwork or desktop work was undertaken in Q1 2020.

Outlook

The Company anticipates it will continue to develop more high-quality drill targets on the Koumandara Project following further surface prospecting, soil geochemistry surveys and remote image interpretation.

Karankasso Project

Property Information

The Karankasso Project ("**Karankasso**") is located approximately 400 kilometres southwest of Ouagadougou, in Burkina Faso. The project can be accessed by a paved highway with both rail and grid power coming within approximately 65 kilometres.

In September 2014 the Company completed joint venture ("**JV**") negotiations and executed a binding agreement with Savary Gold Corp. ("**Savary**") which resulted in the unified ownership of Sarama's Sérakoro 1 Property and several of Savary's contiguous exploration properties in the southern Houndé Belt. The resultant Karankasso JV was initially 65% owned by Savary and 35% owned by Sarama with Savary the operator as long as it controls a majority interest in the joint venture project.

On April 30, 2019, Semafo announced it had completed the acquisition of Savary, Sarama's joint venture partner in the Karankasso Project.

On February 24, 2020, Semafo announced an updated inferred mineral resource estimate² of 12.74Mt @ 1.73g/t Au for 709,000 oz of contained gold of which Sarama's equity interest is 141,000 oz gold.

As at March 31, 2020, the Company held a 19.43% interest in the Karankasso JV and Semafo continues to be the operator.

Exploration activities have been focussed on extending mineralised lodes as well as generating new exploration targets within the project area. This has involved additional drilling, soil geochemistry and geophysical surveys. Sarama considers the property to have potential to add satellite feed to a regional development scenario.

Activities Completed in Q1 2020

- Semafo completed a mineral resource update for Karankasso and incorporated the revised resource into their wider Bantou Project, quoting the Karankasso resource as "other".
- Fieldwork remained suspended by Semafo for the duration of Q1 2020, however desktop assessment of targets and data integration continued.

Outlook

Following Endeavour's announcement of their intention to acquire Semafo and that the transaction will close in the second quarter of 2020, Sarama and Endeavour have commenced discussion on management of the Karankasso JV Project post closure. Semafo have indicated that upon recommencement of exploration activities, focus on the first drilling will be the recently identified Tiebi Prospect which returned an intersection of 14m @ 21.64g/t Au in reconnaissance drilling.

Sarama's ongoing investment in the project will be reviewed on a periodic basis and be subject to exploration and technical results.

SELECTED UNAUDITED FINANCIAL INFORMATION

The following information has been extracted from the Company's condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), for each of the quarters ended March 31.

Please refer to Results of Operations for analysis of Operations for the three months ended 31 March 2020 compared to the three months ended 31 March 2019.

	2020 \$	2019 \$	2018 \$
Interest income - quarter	3,089	471	235
Net loss - quarter	1,100,730	606,852	799,994
Net loss per share for the quarter - basic and diluted (cents)	0.4	0.3	0.6
Total assets	3,327,989	2,233,444	4,866,119
Total liabilities	1,312,614	433,345	516,477

RESULTS OF OPERATIONS

Quarters ended March 31, 2020 and 2019

	Q1 2020 \$	Q1 2019 \$	Variance \$
Income			
Interest income	3,089	471	2,618
Gain on sale of financial assets	5,191	5,128	63
	8,280	5,599	2,681
Expenses			
Accounting and audit	4,462	5,122	660
Business development	-	2,983	2,983
Directors fees	12,755	14,965	2,210
Insurance	5,084	17,623	12,539
Marketing and investor relations	5,781	22,757	16,976
Office and general	41,036	43,384	2,348
Professional fees	6,551	20,266	13,715
Salaries	136,067	181,751	45,684
Travel	17,775	7,049	(10,726)
Foreign exchange (gain)/loss	137,658	(5,848)	(143,506)
Total general and administration	367,169	315,900	(57,117)
Exploration expenditure as incurred	455,995	242,923	(213,072)
Depreciation	527	527	-
Stock-based compensation	308,095	58,949	(249,146)
Fair value (gain)/loss on financial assets carried at fair value through profit or loss	(22,776)	-	22,776
Net loss	1,100,730	606,852	(493,878)

The Company reported a loss of \$1,100,730 (\$0.004 per share) for the quarter ended March 31, 2020, compared to a loss of \$606,852 (\$0.003 per share) for the quarter ended March 31, 2019 (negative variance \$493,878).

Exploration and related expenditure increased this quarter by \$213k compared to Q1 2019 due mainly to permit taxes and renewal fees (refer analysis of exploration and evaluation expenditure on page 3). Marketing and investor relations were \$6k in the current quarter compared to \$23k in Q1 2019 (positive variance \$17k) relating to reduced expenditure on conferences and media promotional activities. Professional fees were \$7k for the current quarter compared to \$20k in Q1 2019 (positive variance \$13k) relating to reduction in legal and tax consulting fees. Insurance was lower this quarter compared to Q1 2019 due to timing of certain insurance payments. Salaries were lower this quarter compared to Q1 2019 (positive variance \$46k) due to the strength of the US dollar against the Australian and Canadian dollar as salaries are paid in these currencies. Foreign exchange loss for the current quarter of \$138k compared to a foreign exchange gain in the March 18 quarter of \$6k (negative variance \$143k) represented revaluation of cash held in Australian and Canadian dollars against a strengthening US dollar from a market decline as a result of the Coronavirus pandemic. Stock-based compensation was greater this quarter than Q1 19 due to a greater number of options being granted this quarter and the options fully vesting on date of grant.

SUMMARISED UNAUDITED QUARTERLY RESULTS

Summarised unaudited quarterly results for the past eight quarters are:

Quarter ended	Interest income (\$)	Net profit/(loss) for the period (\$)	Basic earnings/(loss) per share (cents)	Diluted earnings/(loss) per share (cents)
March 31, 2020	3,089	(1,100,730)	(0.4)	(0.4)
December 31, 2019	5,319	(867,096)	(0.3)	(0.3)
September 30, 2019	1,390	86,140	0.0	0.0
June 30, 2019	929	(3,059,761)	(1.3)	(1.3)
March 31, 2019	471	(606,852)	(0.3)	(0.3)
December 31, 2018	350	(629,844)	(0.3)	(0.3)
September 30, 2018	36	(915,709)	(0.5)	(0.5)
June 30, 2018	105	(555,116)	(0.3)	(0.3)

The primary driver for the variance in net profit and loss across multiple quarterly periods is due to the expensing of exploration expenditure programs and the revaluation of warrants carried at fair value through profit or loss.

Other components within the net profit/loss are general and administrative costs of running the Perth office, foreign exchange gains and losses, stock-based compensation costs and depreciation.

LIQUIDITY AND CAPITAL RESOURCES

At this point in time, the Company does not generate cash from mining operations. In order to fund its exploration and administrative activities, the Company is dependent upon raising capital through the issue of shares and warrants. The Company continues to believe such financing will be available, as and when required and on acceptable terms but there is no guarantee that is the case.

As at March 31, 2020 the Company had working capital surplus of \$273,886 (December 31, 2019: \$1,090,527 surplus). Working capital is defined as current assets less current liabilities.

COMMON SHARE DATA (as at May 29, 2020)

Common shares outstanding	250,659,987
Options issued to directors, executive officers, and a consultant	23,365,000
Warrants issued to shareholders and agents	6,500,000
Common shares outstanding assuming exercise of all options and warrants	280,524,987

RISK AND UNCERTAINTIES

The Company's operations and results are subject to a number of different risks at any given time. These risk factors include, but are not limited to:

1. exploration and development risk;
2. market factors and volatility of commodity prices;
3. negative operating cash flow and the need for additional financing;
4. limited operating history;
5. global economic conditions;
6. price volatility in publicly traded securities;
7. title and property risks;
8. dependence on key management and qualified personnel;
9. risks associated with operations in Africa;
10. risks associated with maintaining a skilled workforce;
11. risks relating to government regulations;
12. environmental laws, regulations and risks;
13. uncertainty of acquiring necessary permits and compliance with terms;
14. infrastructure risks;
15. uninsurable risks;
16. enforcement of legal rights;
17. risks relating to the presence of artisanal miners;
18. fluctuations in foreign exchange rates;
19. competition;
20. acquisition risks;
21. conflicts of interest;
22. dilution;
23. dividends;
24. PFIC classification;
25. Renewal and reissue of exploration permits
26. pandemic risks;
27. geopolitical and security risks

For a detailed explanation of each of these risks number 1 to 24, please refer to page 9 of the Company's Annual Information Form dated September 1, 2016. The Company's Annual Information Form is published at www.sedar.com.

In December 2019, a novel strain of coronavirus (“COVID-19”) emerged in Wuhan, China. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada, Australia, Burkina Faso and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. This has resulted in the Company temporarily suspending its field exploration activity placing. Non-essential expenditure has been curtailed including reduction in personnel and administration to preserve cash as much as possible. Due to the uncertainty of the magnitude, outcome and duration of COVID-19, it is not possible to estimate its impact on the Company’s business, operations or financial results; however, the impact could be material, affecting the Company’s ability to raise capital in a timely manner.

OFF-BALANCE SHEET TRANSACTIONS

During the period ended March 31, 2020, and up to the date of this report, the Company had no off-balance sheet transactions.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”), effective as of March 31, 2020. The Company’s significant accounting policies are described in note 2 of the Company’s consolidated financial statements for the years ended December 31, 2019 and 2018, and note 2 of the Company’s condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019.

CHANGES IN ACCOUNTING STANDARDS

The Company has adopted the following accounting standards effective January 1, 2019. The adoption of these accounting standards had no significant impact on the condensed consolidated interim financial statements. These standards are:

IFRS 16 – Leases

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The International Accounting Standards Board (“IASB”) has issued new standards, amendments and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

Amendments to IFRS 3, Business Combinations (effective January 1, 2020) assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. It amends the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and it excludes returns in the form of lower costs and other economic benefits. This amendment is not expected to have any impact on the Company’s condensed interim consolidated financial statements.

Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures (effective January 1, 2020) will affect entities that apply the hedge accounting requirements to hedging relationships directly affected by the interest rate benchmark reform. The amendments modify specific hedge accounting requirements, so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform. If a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amended Standards, then discontinuation of hedge accounting is still required. This amendment is not expected to have any impact on the Company’s condensed interim consolidated financial statements.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Footnotes

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). This mineral resource contains an oxide and transition component of 16.0Mt @ 1.2g/t Au for 611koz Au (reported at a cut-off grade of 0.3g/t Au for oxide and 0.8g/t Au for transition material). 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 and prepared by Adrian Shepherd. Adrian Shepherd is an employee of Cube Consulting Pty Ltd and is considered to be independent of Sarama. The technical report is available under Sarama's profile on SEDAR at www.sedar.com.*
2. *Karankasso Project - 12.74Mt @ 1.73g/t Au for 709koz Au (effective date of December 31, 2019). The mineral resource estimate was disclosed on February 24, 2020 by Semafo Inc ("Semafo") and is presented in combination with the mineral resource estimate for the adjacent Bantou Property (owned 100% by Semafo). For further information regarding the mineral resource estimate please refer to the technical report titled "Bantou Project NI 43-101 Technical Report – Mineral Resource Estimate", dated April 3, 2020 and prepared by Patrik Perez, Claude Bisailon, Jordan Zampini, Francois Thibert and Richard Roy. Messers Perez, Bisailon and Zampini are employees of Met-Chem (DRA Americas Inc) and are independent of Sarama and Semafo. Messers Thibert and Roy are employees of Semafo Inc and are independent of Sarama only. The technical report is available under Semafo's profile on SEDAR at www.sedar.com. Sarama has not independently verified Semafo's mineral resource estimate and takes no responsibility for its accuracy. Semafo 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. *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 and prepared by Yves Buro (the "Bondi Technical Report"). Yves Buro is an employee of Met-Chem Canada Inc and is considered to be independent of Orezone and Sarama. The technical report is available under Orezone's profile 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 satisfaction of certain conditions precedent and completion of the Termination Agreement.*

Qualified Persons' Statement

Scientific or technical information in this disclosure 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 disclosure of the information, in the form and context in which it appears.

Scientific or technical information in this disclosure 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 disclosure of the information, in the form and context in which it appears.

Scientific or technical information in this disclosure, 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 disclosure of the information, in the form and context in which it appears.

Scientific or technical information in this disclosure that relates to the quotation of the Karankasso Project's mineral resource estimate is based on information compiled 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. Paul Schmiede 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 disclosure of the information, in the form and context in which it appears. Paul Schmiede and Sarama have not independently verified Savary's mineral resource estimate and take no responsibility for its accuracy.