

VANCOUVER, BC--(Marketwired - May 16, 2016) - [Sarama Resources Ltd.](#) ("Sarama" or the "Company") (TSX VENTURE: SWA) is pleased to announce positive results from the first phase of its 2016 aircore ("AC"), reverse-circulation ("RC") and diamond drilling campaign at the South Hound Project (the "Project") in south-western Burkina Faso. The work forms part of an ongoing, multi-faceted exploration program which includes drilling, geological studies and geochemical and geophysical surveys.

Highlights

- Infill drilling confirms wide, high-grade oxide mineralisation with an oblique strike at the MC Prospect
- New high-grade, oblique mineralisation identified at the Phantom East Prospect.
- Additional oblique mineralisation identified at the MC Prospect, linking known mineralised horizons and potentially giving an insight into the structural architecture of the mineralised system.
- Infill and extensional drilling confirms mineral resource estimate and provides extension along strike of selected lodes at the Kenobi and MC Prospects.
- Extensional drilling down-dip at the MM, Obi and Kenobi Prospects indicates lithological continuity and provides further target areas.
- Highlighted downhole intersections include:
 - FRC984 15m @ 7.44 g/t Au from 47m - MC Prospect (infill oblique mineralisation)
 - FRC982 14m @ 4.12 g/t Au from 41m - MC Prospect (infill oblique mineralisation)
 - FRC983 6m @ 3.91 g/t Au from 85m - MC Prospect (infill oblique mineralisation)
 - AC2431** 10m @ 7.15 g/t Au from 4m, 6m @ 3.14 g/t Au from 26m and 12m @ 2.83 g/t Au from 38m - Phantom East Prospect (new oblique mineralisation)
 - AC2434 8m @ 4.45 g/t Au from 20m - Phantom East Prospect (new oblique mineralisation)
 - AC2496 12m @ 5.78 g/t Au from 12m - Phantom East Prospect (new oblique mineralisation)
 - AC2497 8m @ 2.58 g/t Au from 22m - Phantom East Prospect (new oblique mineralisation)
 - ** denotes hole drilled at shallow angle (<~50 °) to mineralisation; true width expected to be approximately 25% of downhole length
- Drilling will continue to test for strike and depth extensions to thick, high-grade mineralisation at the MC Prospect.
- Approximately 3,500m of diamond drilling, 1,700m of RC drilling, and 5,000m of AC drilling is planned for the Q2 2016 exploration program.
- USD\$3.5M (CAD\$4.7M) exploration program is budgeted for 2016 including geochemical and geophysical surveys and drill programs.

Cross-Structure Drill Programs

Two small drill programs were undertaken at the MC and Phantom East Prospects to further investigate the presence of two zones of mineralisation which are part of the existing mineral resource within the Tankoro Structural Corridor (refer Figure 1). The mineralisation is interpreted to strike at approximately 070 °, which is oblique to the majority of mineralisation within the corridor which strikes in a north-north-easterly ("NNE") direction. Recent geological reviews have highlighted that structural features influence the tenor and thickness of mineralisation within the system.

The programs were guided by previous drilling results, mineral resource modelling and recent gradient-array induced-polarisation ("IP") geophysical surveys which identified several anomalous areas between the predominant east-west drill lines. Drilling was designed using a range of azimuths to properly test the targets.

MC Prospect (Central Area)

A 3-hole, 300m RC drill program was undertaken in the central section of the MC Prospect. Historical drilling had intersected wide, high-grade mineralisation, leading to the interpretation of an oblique zone extending to approximately 250m vertical depth (refer Figures 1, 2 and 3). The historical drilling, while supportive of the interpretation, was sub-optimal given its east-west orientation. The recent drilling was designed on an azimuth of 330 ° and tested the central portion of the lode as well as the eastern extremity. Strong intersections were returned in all holes (full results are listed in Appendix A) with highlights of:

- 15m @ 7.44g/t Au from 47m in FRC984;
- 14m @ 4.12g/t Au from 41m in FRC982; and
- 6m @ 3.91g/t Au from 85m in FRC983.

The results confirm the existing near-surface mineral resource interpretation and highlight the potential for oblique mineralisation, possibly associated with cross-structures, to feature in the system. The wide, high-grade intersection in FRC982,

located on the western edge of the mineral resource, suggesting that the mineralisation is open-ended to the west. The mineralised lode is also open to the east. Testing of these targets, as well as confirmation of the interpretation at depth, will be a high priority in upcoming drill programs.

Phantom East Prospect

A 6-hole, 320m AC drill program was undertaken in an area where mineralisation was interpreted to strike NNE (refer Figures 1 and 4). Historical drilling on a central east-west section contained numerous high-grade intersections in both oxide and fresh rock, but drilling to the north and south returned comparatively weak results, indicating the potential for mineralisation to be oblique to the east-west oriented drill fences.

Strong intersections were returned in all 6 holes of the program, confirming the tenor of the previous drilling and suggesting the presence of multiple parallel lodes, each with a true width ranging from 5-8m, striking in a north-east direction. Full results are listed in Appendix A and highlighted results include:

- 10m @ 7.15 g/t Au from 4m, 6m @ 3.14 g/t Au from 26m and 12m @ 2.83 g/t Au from 38m in AC2431;
- 8m @ 4.45 g/t Au from 20m in AC2434;
- 12m @ 5.78 g/t Au from 12m in AC2496; and
- 8m @ 2.58 g/t Au from 22m in AC2497.

Note: AC2431 was drilled at a shallow angle ($< \sim 50^\circ$) to mineralisation - true width expected to be approximately 25% of downhole length

While the area only makes a 2% contribution to the contained gold in the Project's mineral resource, the revised interpretation gives potential for the Phantom East mineralisation to be extended along strike to the east and west which will be further tested in Q2 2016. Potential for extension at depth is present, but remains a secondary focus.

MC Prospect (Northern Areas) and Kenobi Prospect

Following the successful delineation of the oblique mineralisation in the central areas of the MC and Phantom East Prospects, further preliminary testing was conducted in other parts of the mineralised system where several phases of IP surveys and historical drill intersections had indicated the potential for mineralisation with a similar orientation.

A 20-hole, 1200m AC and RC drill program in the northern area of the MC Prospect identified oblique mineralisation in two separate trends, each striking approximately 070° and measuring 300m and 150m in length (refer Figures 1 and 2). The mineralisation is interpreted to link the western and eastern mineralised horizons that are part of the existing mineral resource. The area remains lightly drill tested and the presence of the mineralisation indicates potential for repetition of mineralisation, possibly associated with cross-structures, along the main NNE mineralised horizons.

Results are listed in Appendix B. Highlights from the northern area of the MC Prospect include:

- 8m @ 3.31 g/t Au from 4m in AC2413;
- 14m @ 1.47g/t Au from 46m in AC2417; and
- 4m @ 3.11g/t Au from 16m in AC2418.

A 14-hole, 1200m AC and RC drill program at the Kenobi Prospect, with a similar focus on oblique mineralisation, returned several intersections of interest including (full results are listed in Appendix B) :

- 23m @ 1.73 g/t Au from 40m in FRC1000;
- 34m @ 0.97 g/t Au from 28m in FRC1001;
- 16m @ 1.19 g/t Au from 38m in FRC1002; and
- 14m @ 1.04 g/t Au from 27m in FRC1003.

Note: Holes were drilled at a shallow angle ($< \sim 50^\circ$) to mineralisation - true widths expected to range 30-50% of downhole lengths

The drill program has continued to intersect lower grade mineralisation that may be oriented oblique to the overall NNE trending mineralised trend. Further drilling is required to confirm the geometry of the mineralisation, but the abundance of intersections in oxide indicates potential to add to the oxide component of the mineral resource.

Other minor oblique-orientated targets in isolated areas within the MC Prospect were also tested in a 9-hole, 600m combined AC and RC drill program but returned no significant results (refer Appendix C).

Mineral Resource Infill and Extensional Drilling

A combined infill and extensional drill program, designed to confirm existing mineral resource interpretations and to investigate minor extensions along strike and down dip was undertaken at the MM, MC, Obi and Kenobi Prospects (refer Figure 1). The program, which was mainly focussed on the oxide horizon was comprised of 5,000m RC (51 holes), 1200m AC (23 holes) and 900m diamond (6 holes) drilling. Full results are listed in Appendix D.

Drilling at the MM and Obi Prospects was designed to test depth extensions to the mineral resource in areas where elevated grades were encountered in previous drilling. The mineral resource contains several higher-grade shoots along the strike of the system that offer targets at depth. In general, the drilling returned broad, lower-grade intersections indicating lithological continuity in fresh rock. Of note was the drilling at the MM Prospect where the drilling shows potential for a section of the main mineralised lodes in the west of the system be extended down-dip in fresh rock (to approximately 400m vertical depth) along a strike length of 800m. Further geological review on the controls of high-grade mineralisation within the system will be conducted prior to further testing in this area.

Drilling at the MC and Kenobi Prospects was generally oxide focussed and was designed to confirm the mineral resource estimate and investigate potential for minor extensions along strike and depth. The drilling within the mineral resource returned intersections that generally support the mineral resource estimate. Extensional drilling at the periphery of the mineral resource indicates potential for modest strike extensions to oxide mineralisation which will be tested in up-coming drill campaigns.

Deeper drilling on a single section at the Kenobi Prospect demonstrated the potential to extend selected mineralised lodes for a further 100m down-dip which adds further dimension to the system in this area which has relatively shallow drill coverage to date.

Highlighted results include:

- 8m @ 1.21 g/t Au from 23m in FRC962;
- 7m @ 1.24 g/t Au from 59m in FRC972;
- 9m @ 1.31 g/t Au from 88m in FRC1036;
- 8m @ 1.74 g/t Au from 39m in AC2351;
- 24m @ 1.21g/t Au from 20m in FRC922;
- 19m @ 1.51g/t Au from 16m in FRC926; and
- 11.4m @ 1.19 g/t Au from 162.5m in FRC1034.

Note: FRC1036 was drilled at a shallow angle ($\sim 50^\circ$) to mineralisation - true width expected to be approximately 30% of downhole length

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

"We are very pleased with the results of the drilling program which has successfully defined continuous high-grade mineralisation in the MC Prospect and importantly has identified a new orientation for mineralisation at the Phantom East Prospect.

These results further reinforce the size potential of the mineralised system and move the oxide mineral resource one step closer to development while the increased understanding and frequency of structurally-controlled high-grade zones is starting to open up future development avenues for the fresh material."

Figure 1 - Drill Plan Showing Location of New Drilling

Figure 2 - Detail Plan of MC Prospect Showing Oblique Mineralisation Targeted by New Drilling and Highlighted Intersections

Figure 3 - 415340mE Section of MC Prospect (Central Area) Showing Oblique Mineralisation Targeted by New Drilling and Highlighted Intersections Within the Oblique Mineralisation

Figure 4 - Detail Plan of Phantom East Prospect Showing Oblique Mineralisation Targeted by New Drilling and Highlighted Intersections Associated With Oblique Mineralisation

About Sarama Resources Ltd

[Sarama Resources Ltd.](#) (TSX VENTURE: SWA) is a West African focused gold explorer with substantial landholdings in Burkina Faso.

Sarama's flagship properties are situated within the Company's South Hound™ Project area in south-west Burkina Faso. Located within the prolific Hound™ greenstone belt, Sarama's exploration programs have built on significant early success to deliver an inferred mineral resource estimate of 2.1 Moz gold^{1,2}. [Acacia Mining plc](#) is earning up to a 70% interest in the South Hound™ 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 is focused on consolidating under-explored landholdings in Burkina Faso and other established mining jurisdictions.

Sarama holds a 35% participating interest in the Karankasso Project Joint Venture ("JV") which is situated adjacent to the Company's South Hound™ 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 gold^{3,4} at the Karankasso Project JV.

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. 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)
2. 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 Hound™ 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
3. 9.2 Mt @ 2.3 g/t Au (at a 0.5 g/t Au cut-off)
4. 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

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 drilling and geochemical and geophysical surveys at the South Hound™ Project, the Earn-In Agreement with Acacia, including the amounts that may be spent on exploration and interests in the South Hound™ 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 -Drilling

Drilling results are quoted as downhole intersections. True mineralisation width is expected to be approximately 70% to 80% of reported downhole intersection lengths (except as otherwise noted). The orientation of some of the mineralised units is not well understood.

The reported composites for the drilling were determined using a cut-off grade of 0.30g/t Au to select significant and anomalous

intersections, with a maximum of 2m internal dilution being incorporated into the composite where appropriate. No top-cuts were applied to assay grades. Isolated mineralised intersections less than 2m in length have not been reported.

Gold assays for the drilling were undertaken by the ALS Minerals and Bigs Global laboratories in Ouagadougou, Burkina Faso. Assays are determined by fire assay methods using a 50 gram charge, lead collection and an AAS finish with lower detection limits of 0.01g/t Au (ALS) and 0.005g/t Au (Bigs Global).

The drilling was generally designed using a range of azimuths, according to program aims and mineralization orientation, dipping at -50-55 ° and were of variable length. Holes were spaced at 25-50m intervals along drill lines. AC drill cuttings were sampled over regular 1m or 2m downhole intervals, depending on the purpose of the hole. All RC holes were sampled at regular 1m downhole intervals. All diamond holes were sampled according to geological intervals but were generally <1m.

Intersection oxidation state classification is based on visual logging of the drillholes.

Sarama undertakes geological sampling and assays in accordance with its quality assurance/quality control program which includes the use of certified reference materials for AC, RC and diamond drilling as well as field duplicates in the case of AC and RC drilling.

For further information regarding the Company's QAQC protocols please refer to the technical report titled "NI 43-101 Independent Technical Report, South Hound 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 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.

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.

Appendix A - Mineral Resource Infill and Cross-Structure Drill Results

Appendix B - Cross-Structure Testing in New Areas

Appendix C - Cross-Structure Testing in Isolated Anomalous Areas

Appendix D - Mineral Resource Infill and Extensional Drill Results

Contact

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