VANCOUVER, BC--(Marketwired - August 16, 2017) - Sarama Resources Ltd. ("Sarama" or the "Company") (TSX VENTURE: SWA) announces that gold mineralisation at the MC Deposit has been extended at depth and along strike in a deep diamond drilling program at the South HoundÃ© Project (the "Project") in south-western Burkina Faso.

The results are final for a H1 2017 program that was designed to test depth and strike extensions to high-grade shoots within the mineral resource and form part of an ongoing, multi-faceted exploration program aimed at increasing the Project's 2.1Moz gold[1] inferred mineral resource to support open pit mine development and investigate the potential for underground mining.

Highlights

- Numerous mineralised lodes intersected in deep drilling at the MC Deposit and when combined with previously reported results from this program, support the extension of drill defined mineralisation by approximately 200m along strike and 400m down-dip.
- Deep drilling targeted several discrete and high-grade shoots within the mineral resource to test for strike and depth extensions with a view to examining underground mining potential.
- Results continue to demonstrate the significant scale of the mineralised system at the South HoundÃ© Project, with drill-defined mineralisation extending continuously from surface to a vertical depth of approximately 500m and 550m at the MC and MM Deposits respectively.
- Results are reported for 6 holes totalling 900m of reverse-circulation ("RC") and 2,000m of diamond drilling ("DDH"), with highlighted downhole intersections including (see Appendices A & B for full details):

  -- 2.2m @ 4.74g/t Au from 324.7m in FRC1082RE1 (DDH intersection);
  -- 10.4m @ 3.96g/t Au from 414.8m in FRC1082RE1 (DDH intersection);
  -- 3.5m @ 3.79g/t Au from 406.5m in FRC1083ARE1 (DDH intersection); and
  -- 4.1m @ 3.89g/t Au from 429.9m in FRC1083ARE1 (DDH intersection).
- Modest aircore ("AC") drill program of 35 holes totalling 2,200m tested for near surface mineralisation at an oblique orientation to the main mineralised trends.
- Results confirm known mineralisation and intersected anomalous mineralisation outside the mineral resource with highlighted oxide intersections of:

  -- 8m @ 2.46g/t Au from 54m in AC2704;
  -- 8m @ 1.55g/t Au from 28m in AC2707;
  -- 8m @ 0.97g/t Au from 28m in AC2692;
  -- 6m @ 0.90g/t Au from 52m in AC2706; and
  -- 10m @ 0.41g/t Au from 24m in AC2693.
- Minimum USD$3.5M (CAD$4.5M) exploration program, funded by Acacia Mining plc is anticipated for 2017, with works including geochemical and geophysical surveys and drill programs.

MC and MM Deposit Deep Diamond Drilling

The reported results are final for a deep drilling program conducted in H1 2017 that targeted depth and strike extensions of discrete, high-grade shoots within the known mineral resources of the MC and MM Deposits and which was commissioned to examine the potential for underground mining at the South HoundÃ© Project (refer Figures 1, 2 & 3). Full results are contained in Appendix A.

Six combination RC/diamond drill holes were recently drilled for a total 2,900m (900m RC and 2,000m diamond), continuing the previously reported program of 11 holes for 5,800m (refer news release June 19, 2017).

The two holes drilled at depth of the MC Deposit were designed to test the continuation of the package of parallel mineralised lodes to a vertical depth of approximately 500m. The holes intersected numerous narrow mineralised zones within felsic intrusive and sediment host units and encountered grades of varying tenor. This is consistent with previous drilling in the local area and it is anticipated that the new drilling, when combined with previously reported results of the program, will support extensions to selected lodes within the lode package of approximately 200m along strike and 400m down-dip from the mineral resource. Highlighted intersections include:

- 2.2m @ 4.74g/t Au from 324.7m in FRC1082RE1 (DDH intersection);
- 10.4m @ 3.96g/t Au from 414.8m in FRC1082RE1 (DDH intersection).
- 3.5m @ 3.79g/t Au from 406.5m in FRC1083ARE1 (DDH intersection); and
- 4.1m @ 3.89g/t Au from 429.9m in FRC1083ARE1 (DDH intersection).

The drilling in the southern area of the MM Deposit, consisting of two holes 550-580m in length, attempted to extend the strike

length of higher-grade mineralisation at a vertical depth of approximately 450m and also aggressively targeted a 300m dip extension locally to known mineralisation. While the drilling successfully intersected the targeted lens, demonstrating lithological continuity, the tenor of mineralisation encountered by the two recent holes is not considered significant at these depths. The shoot still has good potential to support open pit mining in the area covered by current drilling and the shoot remains an exploration target for underground mining. Further geological work will be undertaken to better understand the controls mineralisation to improve drill targeting.

In the central area of the MM Deposit, a single drillhole, 440m in length, served as a close-out hole on the northern boundary of the high-grade shoot that was the focus of previously reported program (refer news release June 19, 2017) and which resulted in the extension of mineralisation by a distance down-dip of approximately 200m. The recently-returned hole demonstrated lithological continuity and the discrete nature of the grade shoots and will assist in fine-tuning the geological interpretation and grade domaining.

MC and MM Deposit Oxide Aircore Drilling

A modest, 35-hole aircore drill program totalling 2,200m was undertaken at the MC and MM Deposits to test for near-surface mineralisation linking two areas of the north-north-east trending MC and MM Deposits (refer Figures 1 and 2). In general, the drilling confirmed the position of known mineralisation and intersected anomalous mineralisation outside the mineral resource with highlighted oxide intersections of:

- 8m @ 2.46g/t Au from 54m in AC2704;
- 8m @ 1.55g/t Au from 28m in AC2707;
- 8m @ 0.97g/t Au from 28m in AC2692;
- 6m @ 0.90g/t Au from 52m in AC2706; and
- 10m @ 0.41g/t Au from 24m in AC2693.

Full results are listed in Appendix B.

It is anticipated that further AC drilling will be conducted to investigate anomalous intersections located between the known mineralised zones with a view to delineating additions to the mineral resource.

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

"The completion of the deep diamond drilling at the MC and MM Deposits conducted over the course of H1 2017 has provided a look into the depth potential of the mineralised system and it is pleasing to see that it has been intersected to a vertical depth of 500-550m in several areas, highlighting the scale of the system.

These drill results continue to reinforce our belief that the South HoundÃ© Project has the potential to be an open pit and underground mining complex, particularly when Sarama's highly accretive Bondi Deposit[4] and recently acquired Botoro Property are included in the equation. Sarama remains positioned to play a key role in the development of the southern part of the HoundÃ© Belt."

ABOUT SARAMA RESOURCES LTD

Sarama Resources Ltd. (TSX VENTURE: 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 HoundÃ© Project area in south-west Burkina Faso. Located within the prolific HoundÃ© 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]. Acacia Mining plc is earning up to a 70% interest in the South HoundÃ© 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 HoundÃ© 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 HoundÃ© 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 [2] at the Karankasso Project JV.

Sarama has also agreed to acquire[4] a 100% interest in the Bondi Deposit from Orezone Gold Corp. (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 HoundÃ© 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 HoundÃ© 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. *South HoundÃ© 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 HoundÃ© 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 Corp. ("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 th 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 ID ² 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 purchase agreement for the Bondi Deposit, Sarama will have 100% interest in Djarkadougou Property which hosts the Bondi Deposit*

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 HoundÃ© Project, the Earn-In Agreement with Acacia, including the amounts that may be spent on exploration and interests in the South HoundÃ© 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, the potential for open pit and underground mine development, 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 widths of mineralisation intersected by RC and DDH drilling are estimated to be approximately 70% to 80% of reported downhole intersection lengths, except as otherwise noted. The orientation of some of the mineralised units by AC drilling is not yet 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 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 0.005g/t Au (Bigs Global).

The drilling was generally designed using a range of azimuths, according to program aims and mineralization orientation, dipping at approximately -55-60 ° and were of variable length. Holes were spaced at various intervals according to targeting intent. RC holes where sampled, were sampled at regular 1m downhole intervals. All diamond holes were sampled according to geological intervals but were generally <1m. All AC holes were sampled at regular 2m downhole intervals.

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 HoundÃ© 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.

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http://www.marketwire.com/library/MwGo/2017/8/16/11G144244/Images/170816_Figure_1_-_Drill_plan_location_of_new_drill-ac5c
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