

NOVEMBER 27, 2014



## SARAMA RESOURCES AND ACACIA MINING (FORMERLY AFRICAN BARRICK GOLD) ENTER INTO EARN-IN ARRANGEMENT IN BURKINA FASO

**VANCOUVER, CANADA.** Sarama Resources Ltd. (the “Company” or “Sarama”) is pleased to announce that it has entered into an agreement with Acacia Mining plc (“Acacia”, formerly known as African Barrick Gold plc) relating to Sarama’s South Houndé Project (the “Project”) in Burkina Faso whereby Acacia will have the option to earn up to a 70% interest in the Project by satisfying certain conditions over a 4-year earn-in period and then the right to acquire an additional 5% interest, for an aggregate 75% interest in the Project, upon declaration of a minimum mineral reserve.

### Highlights

- Key commercial terms of the agreement are as follows:
  - Acacia makes a cash payment of US\$1 million to Sarama upon completion;
  - Acacia will earn a 50% interest in the Project upon the expenditure of US\$7 million by the end Year 2;
  - Acacia will earn an additional 20% interest, for an aggregate 70% interest in the Project upon the expenditure of a further US\$7 million by the end Year 4;
  - upon Acacia acquiring a 70% interest in the Project, Sarama and Acacia will advance the Project under a joint venture arrangement with both parties funding the venture according to their proportionate interests; and
  - upon attaining a 70% interest in the Project, Acacia will have the right to acquire an additional 5% interest, for an aggregate 75% interest in the Project, upon the declaration of a mineral reserve of at least 1.6 million ounces of gold.
- The arrangement provides funding to build upon the existing 1.5Moz Au<sup>1,2</sup> mineral resource and advance the Project to the next stage of development.
- Sarama remains an active explorer in Burkina Faso and will independently pursue its other exploration interests in the Houndé Belt and the country (refer Figure 1).

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

*“Sarama is pleased to have entered into this arrangement with Acacia Mining (formerly known as African Barrick Gold) who from a strong operational base in Tanzania, is seeking to fulfil its growth aspirations. Acacia’s decision to gain exposure to West Africa and Burkina Faso via this arrangement endorses Sarama’s exploration and technical work to date and supports the Company’s belief that the South Houndé Project has significant potential to build upon the current mineral resource.*

*Importantly, partnering with Acacia will allow exploration of the Project to continue, with a view of creating value for the partners. This is an excellent outcome for Sarama shareholders at a time where additional equity financing would result in significant dilution.”*

#### 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](http://www.saramaresources.com)

The agreement is structured with an initial earn-in phase by Acacia, converting to a joint venture phase subject to Acacia meeting certain milestones and conditions. Additional commercial terms, include the following:

- If Acacia does not incur expenditure of at least US\$3.5 million in the Year 1, the agreement will terminate and Sarama will retain a 100% interest in the Project.
- If Acacia incurs expenditure of at least US\$3.5 million in the Year 1, but does not incur expenditure of at least US\$5 million by the end of Year 2, the agreement will terminate and Sarama will retain a 100% interest in the Project.
- If Acacia incurs expenditure of at least US\$3.5 million in Year 1, but only incurs a minimum aggregate expenditure of US\$5 million by the end of Year 2, Acacia will earn a 25% interest in the Project, the earn-in phase will terminate and Sarama and Acacia will advance the Project under a joint venture arrangement with both parties funding the venture according to their proportionate interests. In that event, Sarama will have the right to acquire Acacia's interest in the Project by making a payment equivalent to 1.5 times Acacia's aggregate expenditure to the time of exercise of this right.
- If Acacia earns a 50% interest in the Project, but does not incur expenditure of at least US\$3.5 million in the ensuing 1-year period, Acacia will remain at a 50% interest in the Project, the earn-in phase will terminate and Sarama and Acacia will advance the Project under a joint venture arrangement with both parties funding the venture according to their proportionate interests.
- If Acacia earns a 50% interest in the Project and incurs expenditure of at least US\$3.5 million in the ensuing 1-year period, but does not incur aggregate expenditure of at least US\$7 million in the 2-year period after acquiring the 50% interest, Acacia will remain at a 50% interest in the Project, the earn-in phase will terminate and Sarama and Acacia will advance the Project under a joint venture arrangement with both parties funding the venture according to their proportionate interests.
- If Sarama and Acacia, whilst operating under a joint venture arrangement after Acacia has earned a 70% interest in the Project, are successful in declaring a mineral reserve of at least 1.6Moz gold in accordance with National Instrument 43-101, Acacia will acquire an additional 5% interest in the Project, upon payment to Sarama of an amount equal to 5% of the expenditure incurred by the parties from the time that Acacia earned its 70% interest in the Project to the declaration of the mineral reserve.
- Any joint venture arrangement between Sarama and Acacia will contain usual dilution provisions. If while Sarama and Acacia are operating under a joint venture arrangement either party's interest is diluted to less than 10%, their interest will convert ("**conversion**") to a net smelter return ("**NSR**") royalty as follows:
  - in the case of Sarama, a 2% NSR royalty. Acacia will have the right to reduce the royalty to a 1% NSR royalty upon payment of US\$3 million to Sarama within 90 days of conversion; and
  - in the case of Acacia, a 1% NSR royalty, capped at 1.2 million ounces of gold produced.

In either case, the royalty will become payable upon the earlier of: (i) completion of 2 years of commercial production; or (ii) production of 400,000 ounces of gold from the Project after conversion.

Sarama will continue to act as the operator of the Project, and subject to certain conditions, will remain the operator of the Project unless and until Acacia exercises its right to assume the role of operator after earning a 50% interest in the Project.

The agreement is subject to the satisfaction of conditions to completion that are usual in an agreement of this nature. The TSX Venture Exchange has provided conditional approval of the agreement, on usual conditions.

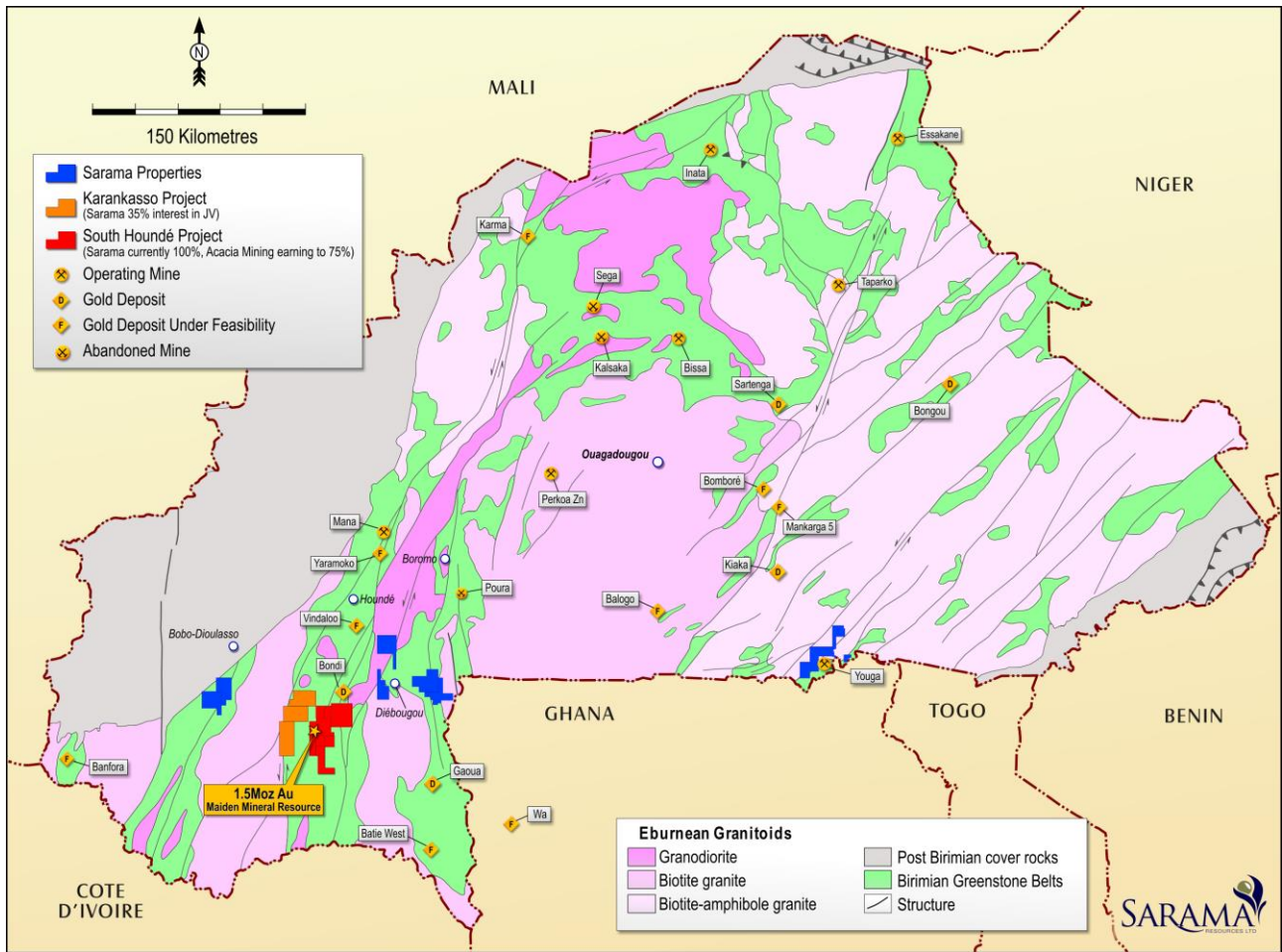
For further information on the Company's activities, please contact:

**Andrew Dinning or Paul Schmiede**

e: [info@saramaresources.com](mailto:info@saramaresources.com)

t: +61 (0) 8 9363 7600

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.



**Figure 1 – Location of the Properties Subject to the Earn-in Agreement**

## **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>. Sarama is focused on consolidating under-explored landholdings in Burkina Faso and other 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 proposed earn-in agreement with Acacia, including the schedule of future earn-in payments, interests in the Project that may be acquired by Acacia, Sarama's buy-back rights in certain circumstances and future development and production at the Project. Actual results, performance or achievements of the Company may vary from the results suggested by such forward-looking information due to known and unknown risks, uncertainties and other factors. Such factors include, among others, whether Acacia will exercise its earn-in rights in whole, in part or at all, general market conditions, the price of gold and other commodities, 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 approvals will be obtained. However, the Company believes that the assumptions and expectations reflected in the forward-looking information are reasonable. Assumptions upon which such forward-looking information has been based include that the conditions to completion of the agreement will be satisfied or waived will be obtained. Assumptions have also 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, Acacia and the Project 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 and Acacia 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.*