

For personal use only

SARAMA RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the three months (first quarter) ended March 31, 2023

Dated: May 12, 2023

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

TABLE of CONTENTS

| | |
|--|----|
| INTRODUCTION..... | 1 |
| FORWARD-LOOKING STATEMENTS..... | 1 |
| OVERVIEW..... | 2 |
| CORPORATE | 2 |
| Treasury | 2 |
| Capital Raising after March 31, 2023..... | 2 |
| Option Grant after March 31,2023..... | 3 |
| Use of Funds..... | 3 |
| Summary of Material Variances..... | 3 |
| Payments to Related Parties | 4 |
| EXPLORATION AND EVALUATION EXPENDITURES | 4 |
| PROPERTY INFORMATION, RECENTLY COMPLETED ACTIVITIES AND OUTLOOK..... | 4 |
| Burkina Faso..... | 4 |
| Sanutura Project | 5 |
| Koumandara Project | 19 |
| Karankasso Project | 19 |
| SELECTED AUDITED FINANCIAL INFORMATION..... | 20 |
| RESULTS OF OPERATIONS..... | 21 |
| Quarter ended March 31, 2023 and 2022 | 21 |
| SUMMARISED UNAUDITED QUARTERLY RESULTS | 22 |
| LIQUIDITY AND CAPITAL RESOURCES | 23 |
| COMMON SHARE DATA (as at May 12, 2023) | 23 |
| RISK AND UNCERTAINTIES | 23 |
| OFF-BALANCE SHEET TRANSACTIONS | 24 |
| INTERNATIONAL FINANCIAL REPORTING STANDARDS..... | 24 |
| CHANGES IN ACCOUNTING STANDARDS..... | 24 |
| INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES | 24 |
| ADDITIONAL INFORMATION | 25 |

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 quarter ended March 31, 2023.

The condensed interim consolidated financial statements for the quarter ended March 31, 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A is current as at May 12, 2023.

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, statements related to a potential mine development opportunity featuring an initial, long-life CIL project which may be established and paid for by the significant oxide mineral resource base, plans for an extensive drilling campaign at the Sanutura Project, costs and timing of future exploration, statements regarding use of proceeds, results of future exploration and drilling, timing and receipt of approvals, consents and permits under applicable legislation, feasibility work anticipated to commence in 2023, recommencement of drilling, 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**") and Chess Depository Interests ("**CDIs**") on the Australian Securities Exchange ("**ASX**") under the respective codes 'SWA' and 'SRR' respectively.

The Company has built and advanced substantial exploration landholdings in prospective and underexplored areas in south-west Burkina Faso, West Africa. The Company has significant interests in three projects located principally in the Houndé and Banfora Belts, which are considered highly prospective for gold and remain under-explored.

Sarama's 100%-owned⁽¹⁰⁾ Sanutura Project is principally located within the prolific Houndé Greenstone Belt in south-west Burkina Faso and is the exploration and development focus of the Company. The project hosts the Tankoro and Bondi Deposits which have a combined mineral resource of 0.6Moz gold (Indicated) and 2.3Moz gold (Inferred)⁽¹⁾.

Together, the deposits present a potential mine development opportunity featuring an initial, long-life CIL project which may be established and paid for by the significant oxide mineral resource base.

Sarama has built further optionality into its portfolio including a 467km², 100%-owned⁽¹⁰⁾ exploration position in the highly prospective Banfora Belt in south-western Burkina Faso. The Koumandara Project hosts several regional-scale structural features and trends of gold-in-soil anomalism extending for over 25km along strike.

Sarama also holds an approximate 18% participating interest in the Karankasso Project Joint Venture ("**JV**") which is situated adjacent to the Company's Sanutura Project in Burkina Faso and is a JV between Sarama and Endeavour Mining Corp ("**Endeavour**") in which Endeavour is the operator of the JV. In February 2020, an updated mineral resource estimate of 709koz gold (Inferred)⁽⁹⁾ was declared for the Karankasso Project JV.

CORPORATE

Treasury

As at March 31, 2023, the Company had cash and cash equivalents of \$259,485.

Capital Raising after March 31, 2023

On April 13, 2023, The Company closed Tranche 1 of its previously announced A\$2.0 million equity placement (the "**Placement**") (refer to Sarama News release dated April 3, 2023).

Tranche 1 of the Placement raised aggregate gross proceeds of A\$1,375,000 with the Company issuing 13,750,000 Chess Depository Instruments ("**CDIs**") at an issue price of A\$0.10 per CDI. Each new CDI issued under the Placement will rank equally with existing CDIs on issue and each CDI will represent a beneficial interest in 1 common share of the Company. The Company also issued 6,725,000 free attaching unlisted options ("**Placement Option**") being 1 Placement Option for every 2 new CDIs issued pursuant to Tranche 1 of the Placement. Each Placement Option will be exercisable at A\$0.15 and will expire on 13 April 2026.

Tranche 2 of the Placement consists of a further 6.25 million new CDIs (and 3.125 million attaching Placement Options) which will be subject to shareholder approval at a General Meeting in June 2023. Total funds received from Tranche 2 will total A\$0.625 million.

Tranche 1 of the Placement was issued to institutional and other sophisticated and professional investors. The net proceeds from the Placement are intended to be used to complete a Preliminary Economic Assessment (“PEA”) to evaluate an accelerated multi-stage development at the Sanutura Project and to fund administration and general working capital costs.

Option Grant after March 31,2023

On April 20, 2023, the Company granted 6,809,999 options to directors, officers, employees and consultants of the Company. The option grant is the result of the Company’s annual compensation review historically undertaken in January but delayed due to the restrictions imposed by the Company’s Trading Policy. This granting of options is made in accordance with the Company’s stock option plan which was approved by shareholders on December 21, 2022.

Options to be granted to Directors will require Shareholder approval under ASX Listing Rule 10.14 as it is an issue to a related party. Approval will be sought at the next Annual General Meeting to be held on June 6, 2023. The Company is proposing to issue an aggregate of 3,016,666 options to directors.

The options have an exercise price of A\$0.16 each, vest immediately and are exercisable for a period of 3 years from the date of the grant thereof.

Use of Funds

The Company confirms that during the quarter ended 31 March 2023, it has used the funds raised pursuant to the Company’s prospectus dated 11 March 2022, in relation to its ASX listing, consistently with the “Use of Funds” statement in the prospectus. A comparison of actual expenditure since the date of admission to the official list of ASX as per ASX Listing Rule 4.7C.2 is as follows and presented in Australian dollars:

| | Prospectus (12 month period) Australian \$ | Actual Q1 FY23 Australian \$ | Actual Total Australian \$ |
|---|---|---|---|
| Sanutura Project | | | |
| • Exploration activities | 4,264,000 | 360,709 | 3,577,608 |
| • Barrick TZ payment | 1,500,000 | - | 1,727,409 |
| Koumandara Project | 466,000 | 7,815 | 53,988 |
| Karankasso Project | - | - | - |
| Business and corporate development | 995,000 | - | - |
| Corporate general and administrative expenses and working capital | 1,000,000 | 441,993 | 1,551,020 |
| Costs of the Offer | 775,000 | - | 704,532 |
| TOTAL | 9,000,000 | 810,517 | 7,614,557 |

The table above does not include expenditure between the period of filing the prospectus (11 March 2022) and the Company’s admission to the ASX (28 April 2022) of approximately A\$870,000 which consisted of exploration activities of A\$430,000, Corporate general and administrative expenses and working capital of A\$286,000 and costs of the Offer of A\$154,000.

Summary of Material Variances

For the quarter ended 31 March 2023, the Company was within its expenditure program since admission to listing on the ASX.

Payments to Related Parties

For the quarter ended 31 March 2023, payments of \$73,100 were made to related parties and/or their associates, which comprised remuneration for the CEO & Managing Director and Non-Executive Director fees.

EXPLORATION AND EVALUATION EXPENDITURES

During the current quarter the Company incurred exploration expenditure of \$221,128

The costs per active project area per each quarter for the current period ending March 31, 2023 and preceding four quarters is as follows;

| | Three months ended March 31, 2022 | Three months ended June 30, 2022 | Three months ended September 30, 2022 | Three months ended December 31, 2022 | Three months ended March 31, 2023 |
|--------------|---|--|---|--|---|
| Sanutura | 202,567 | 1,283,898 | 603,909 | 212,185 | 215,894- |
| Koumandara | 37,112 | 48,333 | 427 | - | 5,234 |
| Total | 239,679 | 1,334,319 | 604,336 | 212,185 | 221,128 |

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

For the quarter ended March 31, 2023, the Company incurred exploration expenditure of \$221k. Expenditure incurred at the Sanutura Project was \$216k which included costs associated with the PEA of \$20k, plus allocation of camp, security, technical support and administration (\$196k).

PROPERTY INFORMATION, RECENTLY COMPLETED ACTIVITIES AND OUTLOOK

Burkina Faso

The Company has interests, directly and indirectly, in mineral properties covering an area of approximately 2,600km² located principally within the southern Houndé and Banfora Greenstone Belts, in south-west Burkina Faso (refer Figure 1). The exploration activities are primarily focussed within 2 geographical areas:

1. The southern Houndé Belt hosting the

- a. Sanutura Project; and
- b. Karankasso Project and;

2. The northern Banfora Belt hosting the

- a. Koumandara Project.

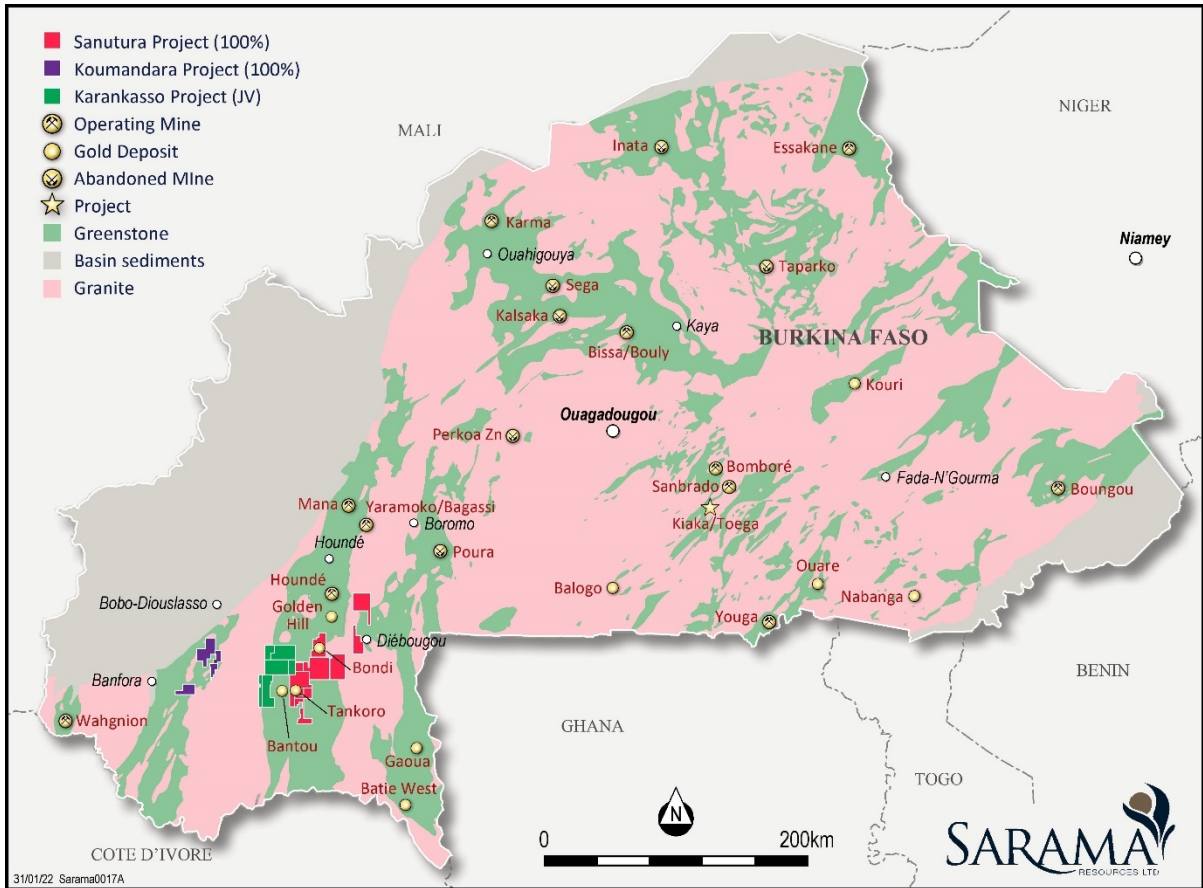


Figure 1 – Location of Sarama’s Projects in South-West Burkina Faso

Sanutura Project

Property Information

The primary focus of the Company has been the advancement of its 100%-owned⁽¹⁰⁾ Sanutura Project covering approximately 1,420km² (refer Figure 2) in south-west Burkina Faso. The Sanutura Project is an advanced-stage exploration project that hosts a significant, well-defined mineral resource base and a suite of exploration targets.

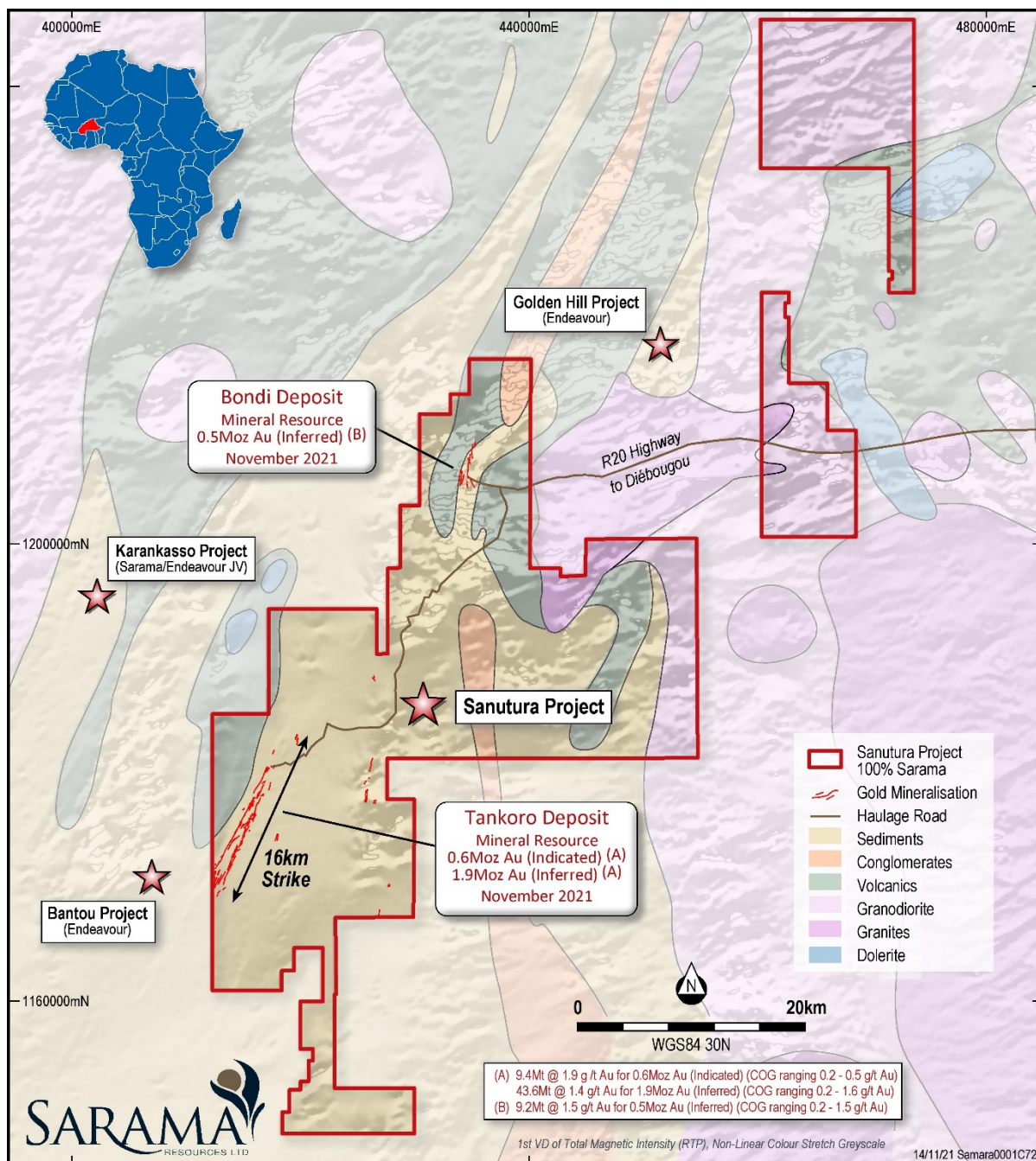


Figure 2 Sanutura Project – Tankoro and Bondi Deposits within Sanutura Project

The Sanutura Project is located in the southern Houndé Belt, which hosts Endeavour’s Mana and Houndé Gold Mines and Fortuna Silver Mines Inc.’s Yaramoko Gold Mine and recent +1Moz Au discoveries including Endeavour’s Golden Hill and Kari Pump deposits, and the Bantou and Bantou Nord deposits which are approximately 6km west of the Tankoro Deposit at Sarama’s Sanutura Project.

On November 16, 2021 the Company announced an updated mineral resource estimate for the **Sanutura Project**⁽¹⁾ of:

- **9.4Mt @ 1.9g/t Au for 0.6Moz gold** (Indicated); and
- **52.7Mt @ 1.4g/t Au for 2.3Moz gold** (Inferred).

This is comprised of mineral resources for the Tankoro Deposit of **9.4Mt @ 1.9g/t Au for 0.6Moz Au** (Indicated) and **43.6Mt @ 1.4g/t Au for 1.9Moz** (Inferred)⁽²⁾ and the Bondi Deposit of **9.2Mt @ 1.5g/t Au for 0.5Moz** (Inferred)⁽³⁾.

The Sanutura Project’s mineral resource contains a significant higher-grade component of **6.3Mt @ 2.5g/t Au** for **0.5Moz gold** (Indicated) plus **29.8Mt @ 1.9g/t Au for 1.8Moz gold** (Inferred)⁽⁴⁾ using a 1.0g/t Au cut-off. This

highlights the presence of higher-grade zones within the greater mineralised system which will be the focal point for project development. Infill drilling in certain higher-grade areas provides considerable geological confidence, allowing for the classification of a significant part of the mineral resources as 'indicated'.

The combined oxide and transition component of the project's mineral resource totals **0.2Moz gold** (indicated) plus **0.8Moz gold** (inferred)⁽⁵⁾, representing approximately a third of the total mineral resource. The Company's exploration focus going forward will be on this near-surface oxide material, which is anticipated to provide significant, early plant feed to support a potential staged development of the Sanutura Project.

Exploration by the Company has identified a number of targets within the Sanutura Project which have the potential to make meaningful additions to the mineral resource base of the project, namely:

- a primary exploration target of **3.5-4.3Mt @ 1.2-1.4g/t Au** for **135-190koz Au**⁽⁶⁾ for the Tankoro Deposit, consisting of modelled and estimated (but unclassified) mineralisation contained within the open pit shell and underground blockouts which constrain the mineral resource;
- a primary exploration target of **2.5-3.1Mt @ 0.9-1.1g/t Au** for **70-100koz Au**⁽⁷⁾ for the Bondi Deposit, consisting of modelled and estimated (but unclassified) mineralisation contained within the open pit shell and underground blockouts which constrain the mineral resource;
- a secondary exploration target of **12.0-14.7Mt @ 1.2-1.4g/t Au** for **0.5-0.7Moz Au**⁽⁸⁾ for the Tankoro Deposit, consisting of modelled and estimated mineralisation located outside of open pit shell and underground blockouts which constrain the mineral resource;
- the early-stage Zanawa Prospect, located approximately 4km north-east of the Bondi Deposit, at which reconnaissance drilling 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;
- a large area of artisanal workings at the Bamako 2 Property, measuring approximately 3km-long x 2km-wide, where numerous, subparallel gold-bearing quartz veins, extending for over 3km in strike length have been exposed. Gold-in-soil surveys returned peak values of **13.6g/t Au** and drilling 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; and
- numerous extensional and additional targets throughout the project generated from soil geochemistry and geophysical surveys.

While the potential quantity and grade of these exploration targets is conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource, they present viable exploration targets for the Company to pursue.

A technical report prepared in accordance with Canadian National Instrument ("NI 43-101") titled "NI 43-101 Technical Report, Sanutura Project, South-West Burkina Faso" and dated February 7, 2022, supporting the updated mineral resource is available 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 November 16, 2021 news release regarding the estimate of mineral resources for the Sanutura Project.

Activities Completed in Q1 2023

- Sarama continued to liaise with the Ministry of Mines and Quarries on the issuance of the Exploration Permits' *arrêtés* after it made notification to the Company of the successful applications for the granting of the Tankoro 2 and Danymi 2 Exploration Permits. These permits cover substantially the same area as the predecessor Tankoro and Danymi Exploration Permits which had expired and were required to be re-issued. The Company subsequently received the *arrêté* for the Djarkadougou 2 Exploration Permit during the quarter. The new Exploration Permits have an initial term of 3 years and are renewable for an addition two 3-year terms, subject to satisfaction by the Company of certain conditions including the filing of progress reports and the attainment of minimum exploration expenditures. Sarama has paid the requisite processing fees and the issuance of the Exploration Permits' *arrêtés* and related paperwork is an administrative process which is anticipated to be completed in due course.⁽¹⁰⁾
- Sarama continued ongoing engagement with local community and government leaders as well as its community support and development programs. Sarama continues to enjoy very good community and local government support for its field activities .

Following the issuance of the Djarkadougou 2 Exploration Permit, the Company has commenced dialogue with the local community and government officials in preparation for recommencing exploration activities at the Bondi Deposit and on the wider property area.

- Approximately 15,200m aircore (“AC”) and 5,600m reverse-circulation (“RC”) drilling was completed at the Project between May and August 2022, with drilling activities terminating in late-July 2022 due to the onset of seasonal rains limiting access to drill targets and leading to high levels of groundwater being encountered. All assays for the completed drilling were received in Q3 2022 with the compilation and reporting of results commencing in Q3 2022 with the final drill results being published in Q1 2023.

The program marked the recommencement of exploration works on the project after a significant hiatus and has been primarily designed to increase the oxide component of the current multi-million ounce gold mineral resource. Due to exploration commencing well into the field season, the program was structured to maximise available field time by starting in the south of the project where early seasonal rains have the greatest potential to impact drilling and field work. The Company’s highest priority exploration targets are currently situated in the northern permits of the Sanutura Project and testing of these is expected to commence in 2023 after access is established, and other field preparation is undertaken.

- Figure 3 shows the various drilling areas and results reported for the Tankoro Deposit during Q3 2022 through Q1 2023. Two tranches of results were reported in Q1 2023 and these results completed the reporting of all assays received from the 2022 drill season and represented drilling across the Tankoro Deposit and summaries are included.

For personal use only

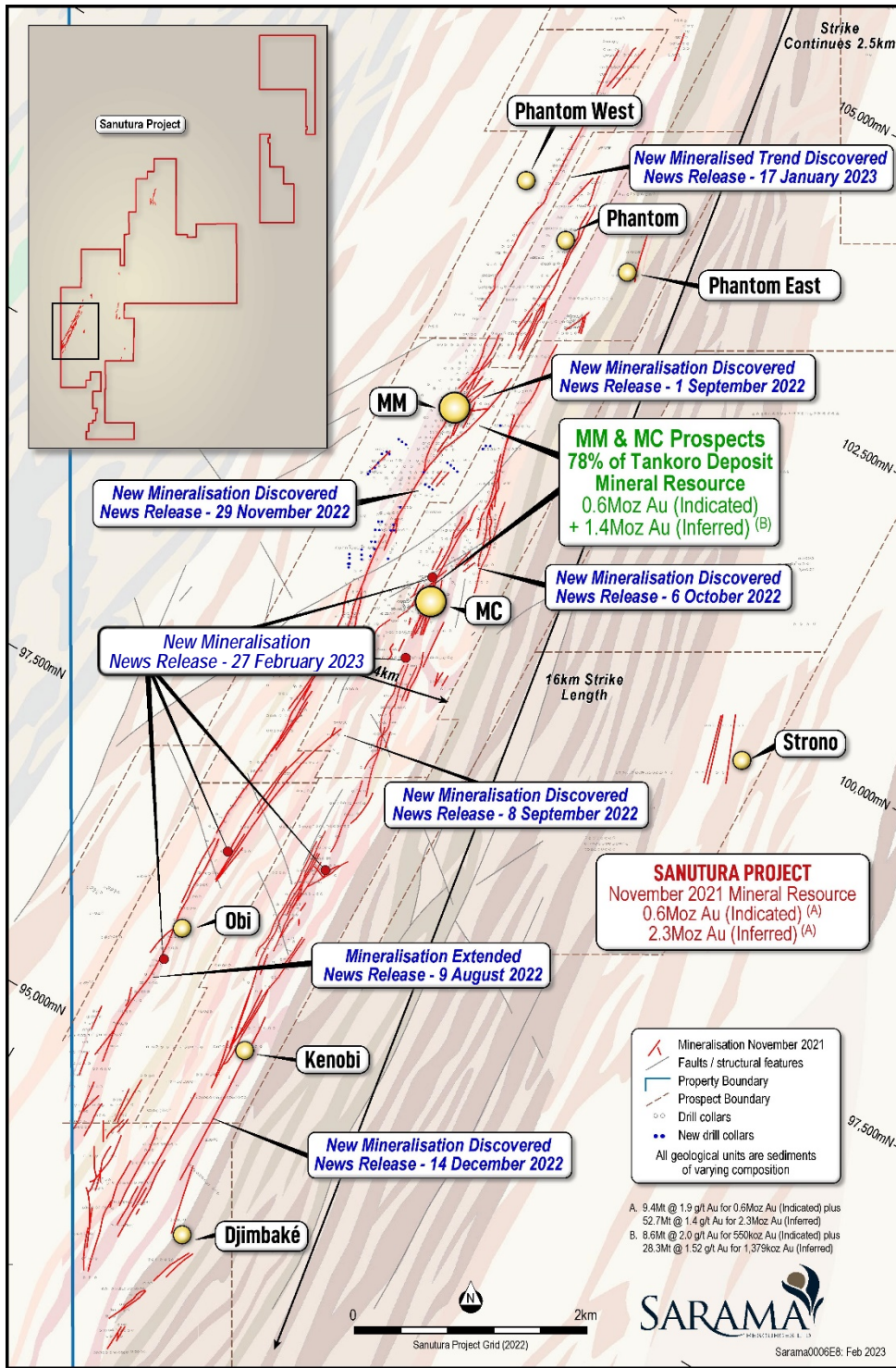


Figure 3 Tankoro Deposit Location Plan – Continual Success in CY2022 Drilling Program

- On 17 January 2023, the Company reported results for a further 2,000m of drilling that was primarily focused on testing for new mineralisation within the Phantom series of Prospects (refer Figures 4 to 7). This drilling resulted in the discovery of a new mineralised trend in the northern area of the Tankoro Deposit. The results represent the seventh discovery of additional and extensional mineralisation in the 21,000m drill program completed between May and August 2022 and continue to demonstrate the strong potential to grow the oxide component of the Project’s Mineral Resource.

The new mineralised trend has strike length of 700m and remains open in all directions. The mineralisation is oblique with potential to link Phantom and Phantom West Trends over a 1,200m strike

length. The intersections of new mineralisation are in shallow, oxide material with high potential to add to the oxide and transition component of the Mineral Resource.

Highlighted downhole intersections in oxide material from new assays include:

- 20m @ 1.68g/t Au from 16m in TAA405 (ended in mineralisation);
- 13m @ 1.79g/t Au from 7m in TAA403 (incl. 2m @ 8.88g/t Au);
- 9m @ 2.14g/t Au from 7m in TAA404;
- 6m @ 2.91g/t Au from 31m in TAA422 (incl. 1m @ 12.10g/t Au);
- 7m @ 2.18g/t Au from 22m in TAA389;
- 5m @ 3.01g/t Au from 43m in TAA429 (incl. 2m @ 6.70g/t Au); and
- 10m @ 1.13g/t Au from 7m in TAA420.

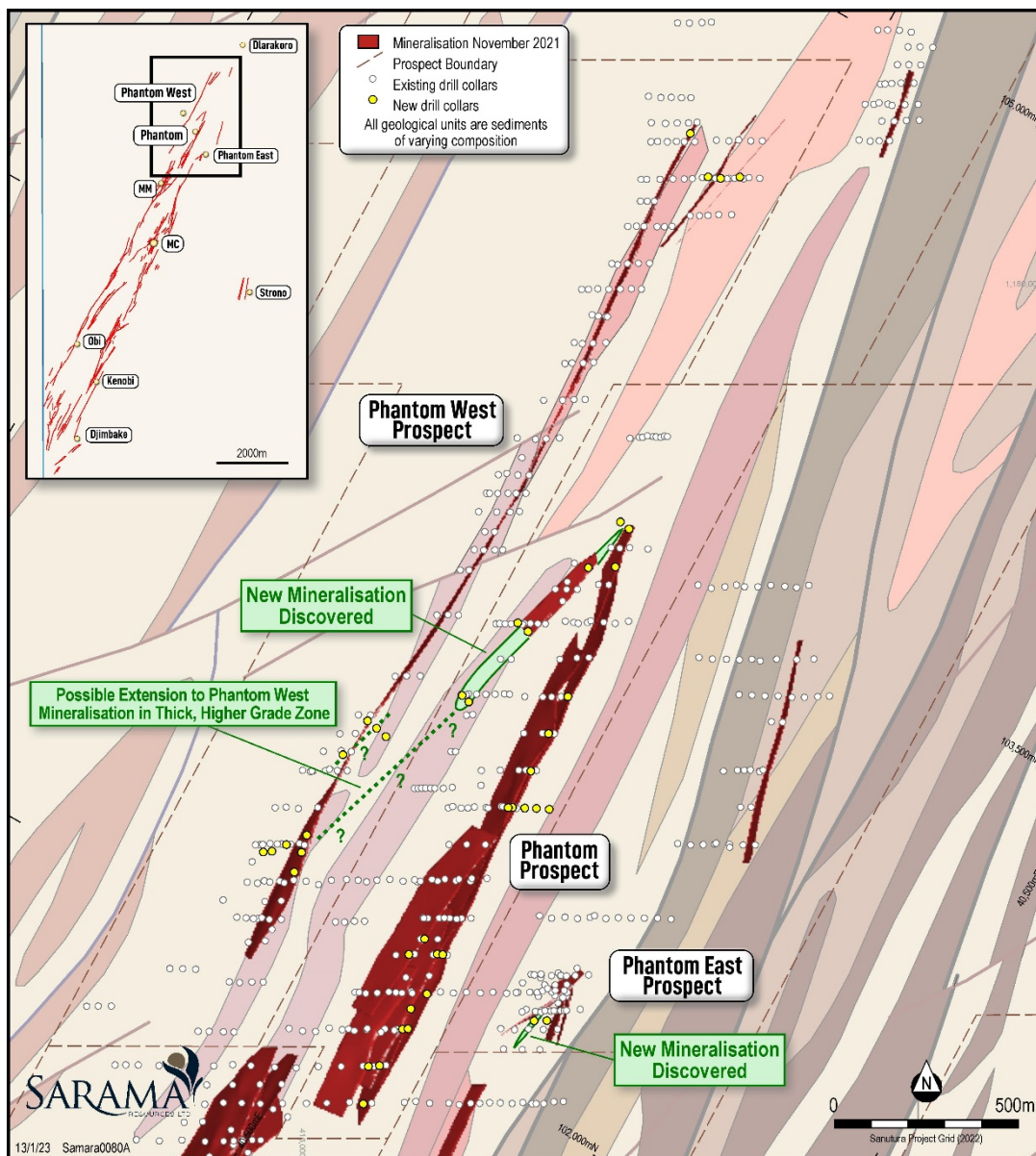


Figure 4 - Plan of Drilling in Northern Extremity of Tankoro Mineralised Corridor

For personal use only

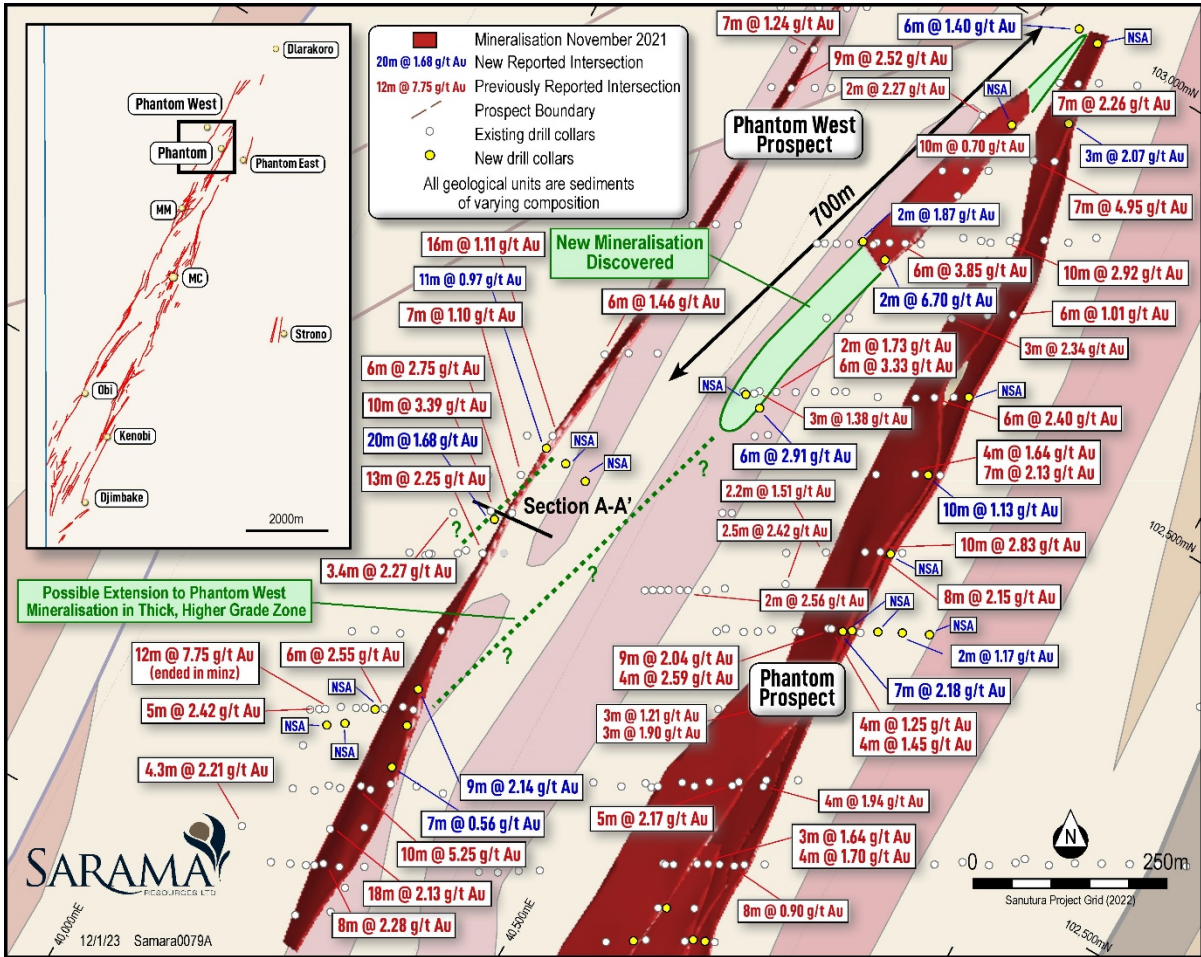


Figure 5 – New Oblique Mineralised Trend Discovered with Upside Potential – Phantom Prospect

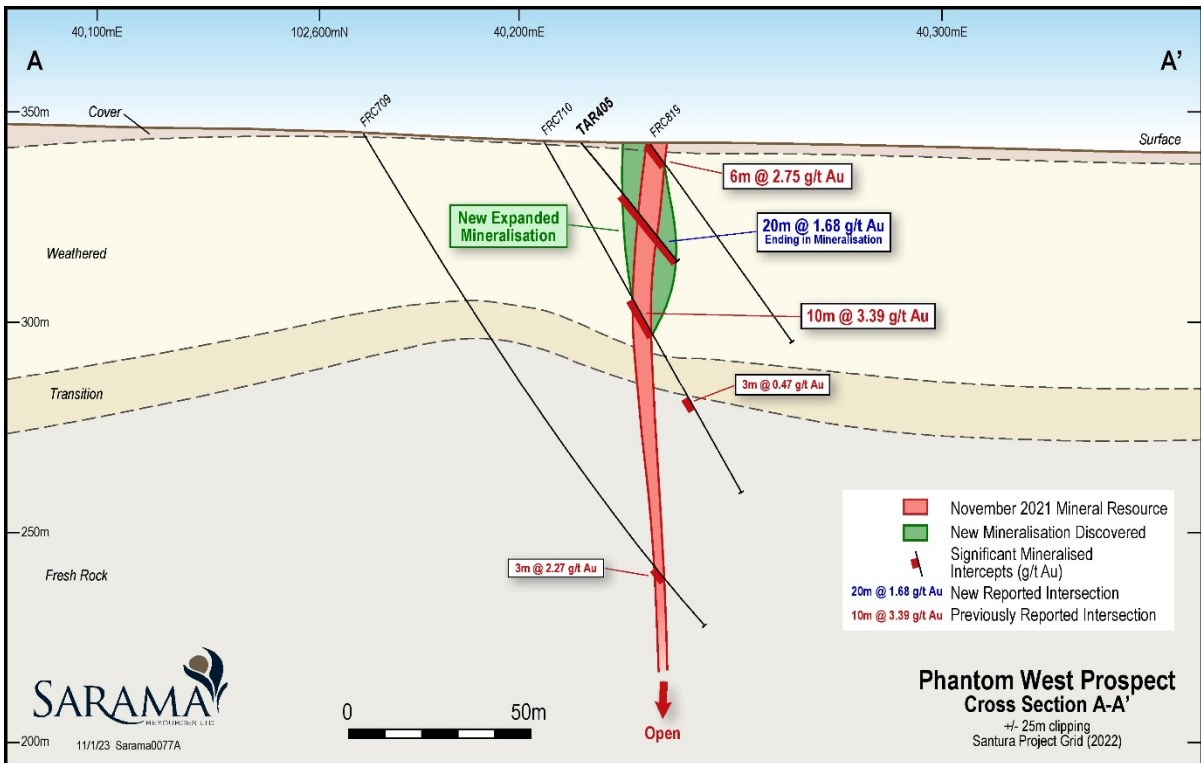


Figure 6 – Drilling in High-Grade Zone Exceeds Thickness Expectations – Phantom West Prospect (Section A-A')

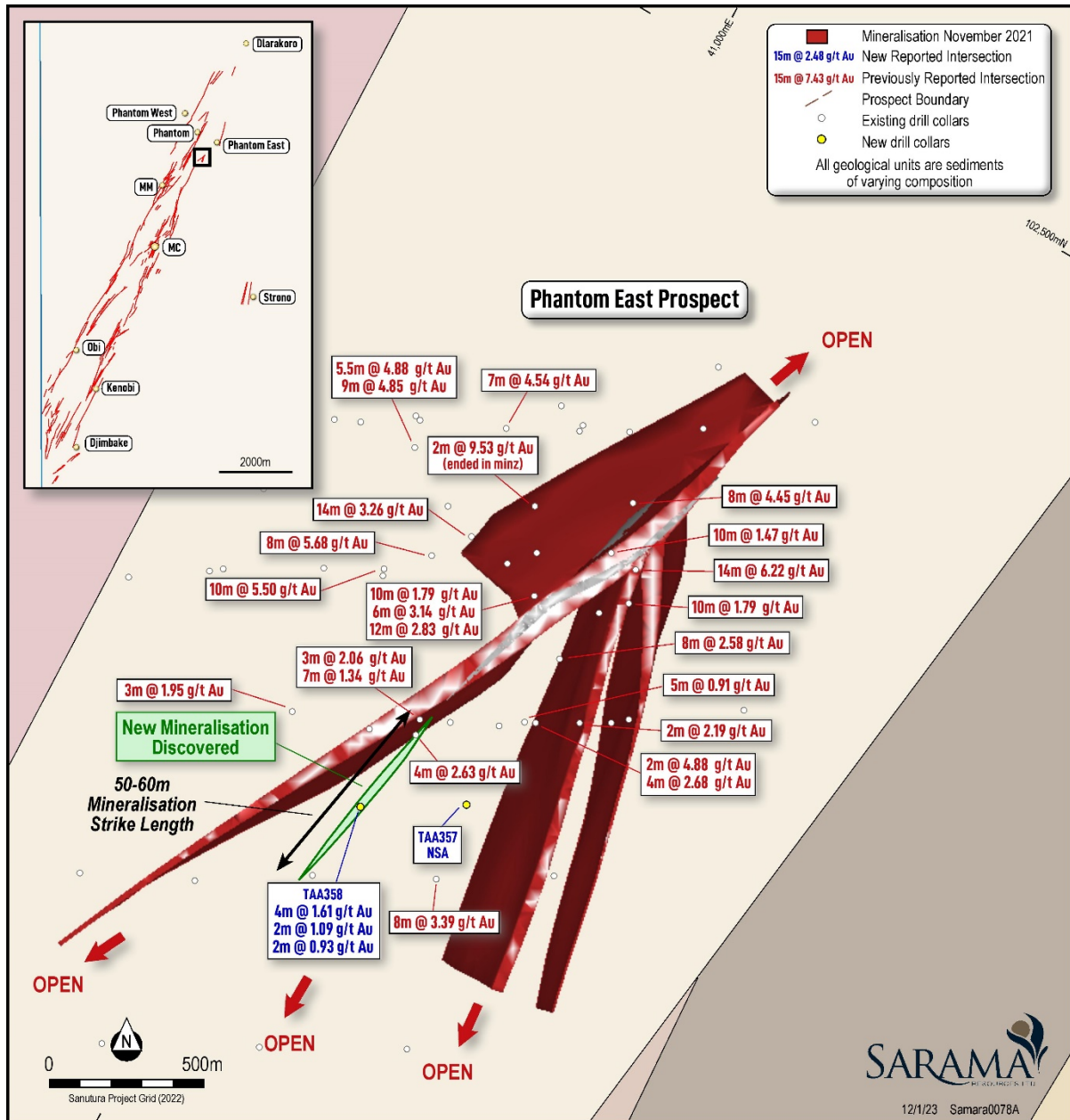


Figure 7 – Plan View of Phantom East Prospect (South) – Recent Drilling Identifies New Mineralisation

- On 27 February 2023, the Company reported drilling totalling approximately 5,400m, reflecting the balance of unreported assays from the multi-purpose 21,000m drill program completed in August 2022 which was primarily focussed on testing for new, near-surface mineralisation within the Tankoro Deposit.

This drilling resulted in the discovery of a new mineralised trend in the northern area of the Tankoro Deposit. The results represent the seventh discovery of additional and extensional mineralisation in the 21,000m drill program completed between May and August 2022 and continue to demonstrate the strong potential to grow the oxide component of the Project's Mineral Resource.

The new mineralised trend has strike length of 700m and remains open in all directions. The mineralisation is oblique with potential to link Phantom and Phantom West Trends over a 1,200m strike length. The intersections of new mineralisation are in shallow, oxide material with high potential to add to the oxide and transition component of the Mineral Resource.

Highlighted downhole intersections in oxide material from new assays include:

- 20m @ 1.68g/t Au from 16m in TAA405 (ended in mineralisation);
- 13m @ 1.79g/t Au from 7m in TAA403 (incl. 2m @ 8.88g/t Au);
- 9m @ 2.14g/t Au from 7m in TAA404;

- 6m @ 2.91g/t Au from 31m in TAA422 (incl. 1m @ 12.10g/t Au);
- 7m @ 2.18g/t Au from 22m in TAA389;
- 5m @ 3.01g/t Au from 43m in TAA429 (incl. 2m @ 6.70g/t Au); and
- 10m @ 1.13g/t Au from 7m in TAA420.

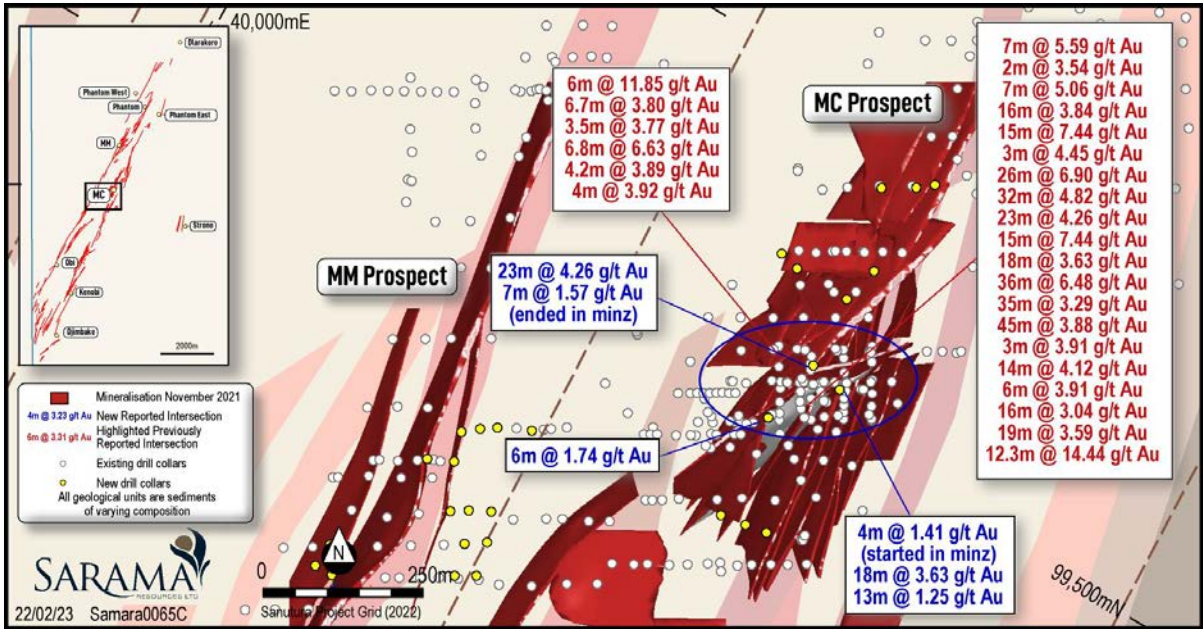


Figure 8 – High-Grade Zone at MC Prospect Associated with Oblique Lode Geometry (Intersections >3g/t Au)

For personal use only

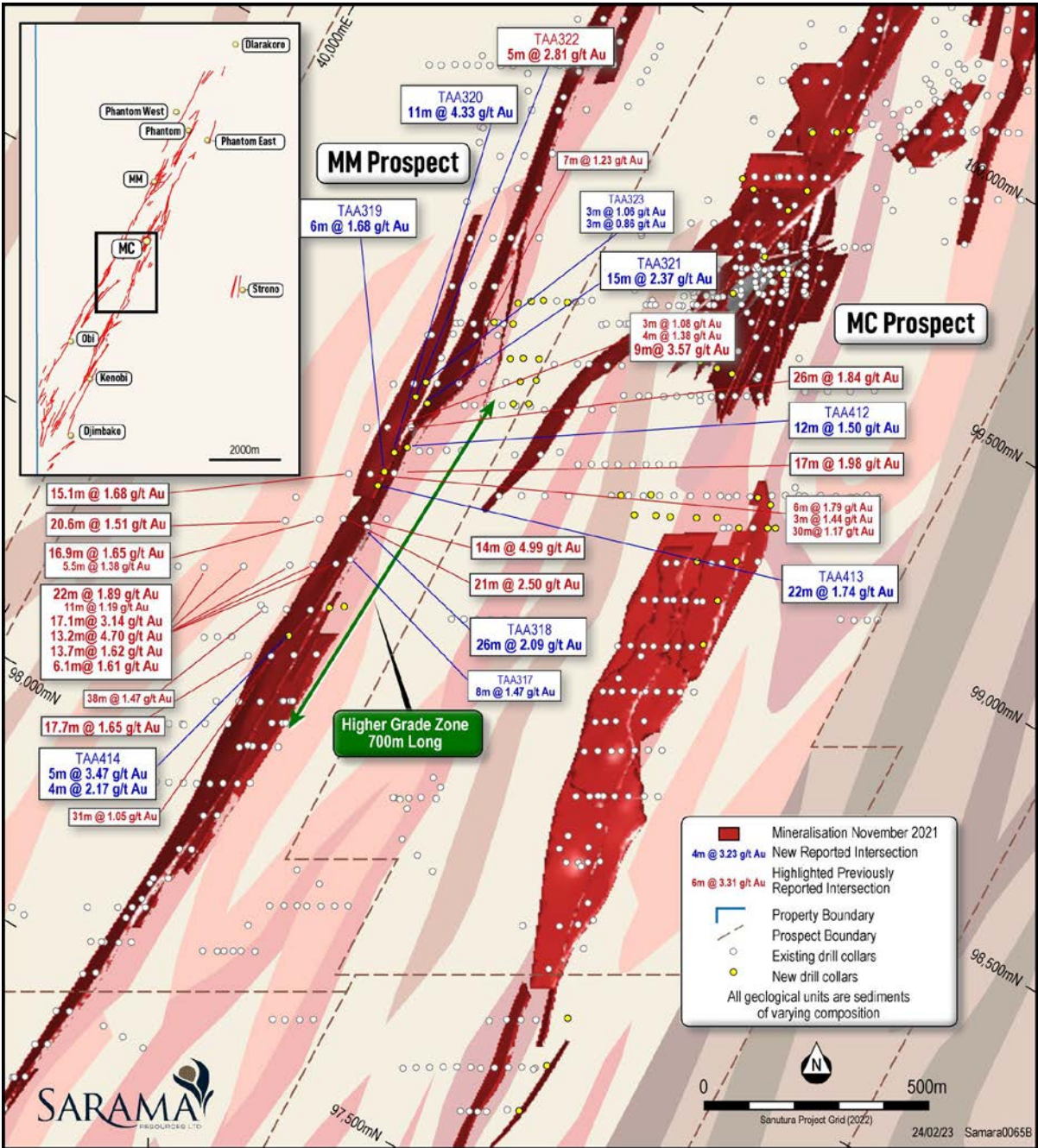


Figure 9 – Central Tankoro Deposit Area with 700m Long High-Grade Zone Delineated at MM Prospect

For personal use only

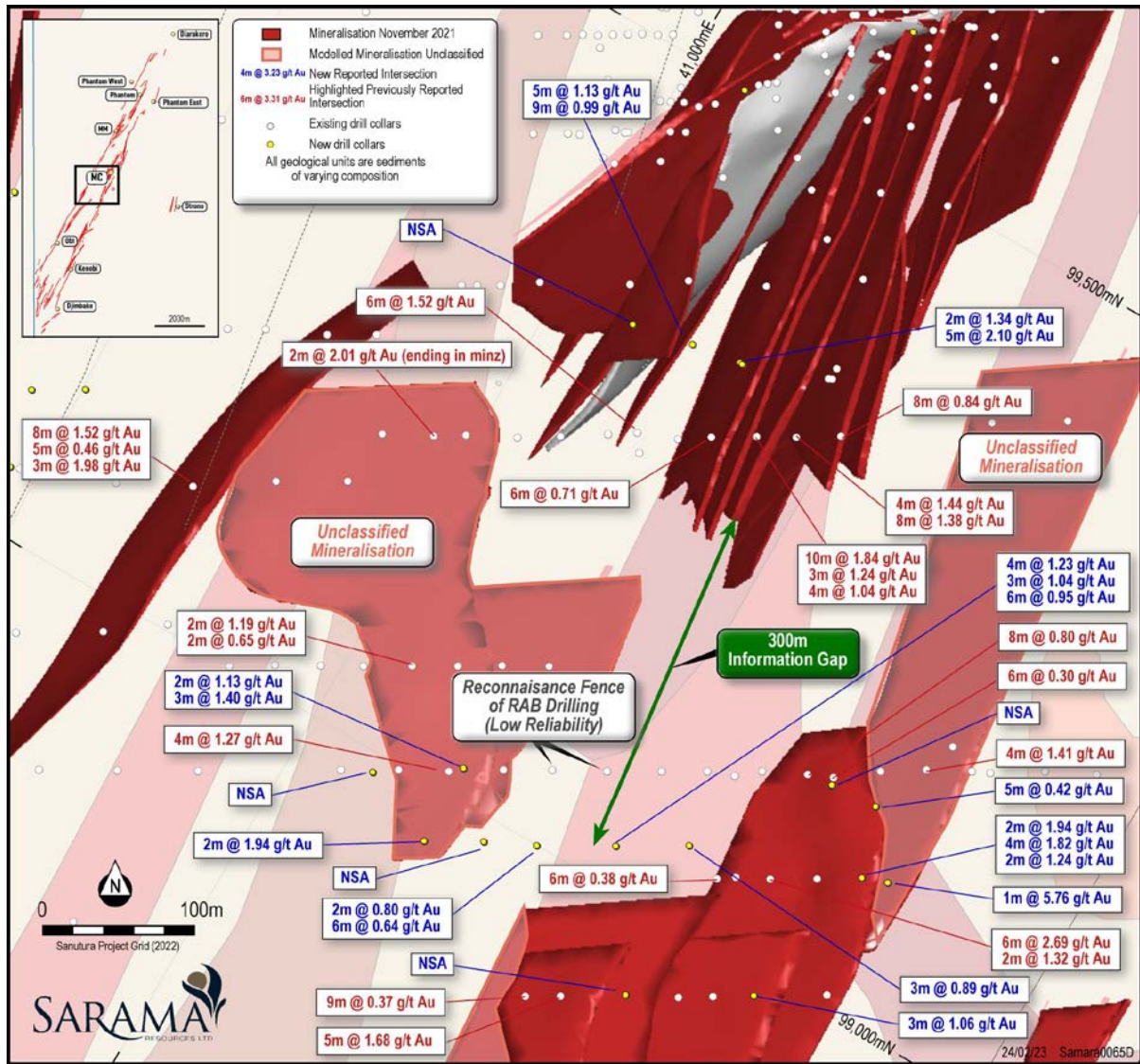


Figure 10 – 300m Information Gap with Potential for Additions to Mineral Resource at MC Prospect

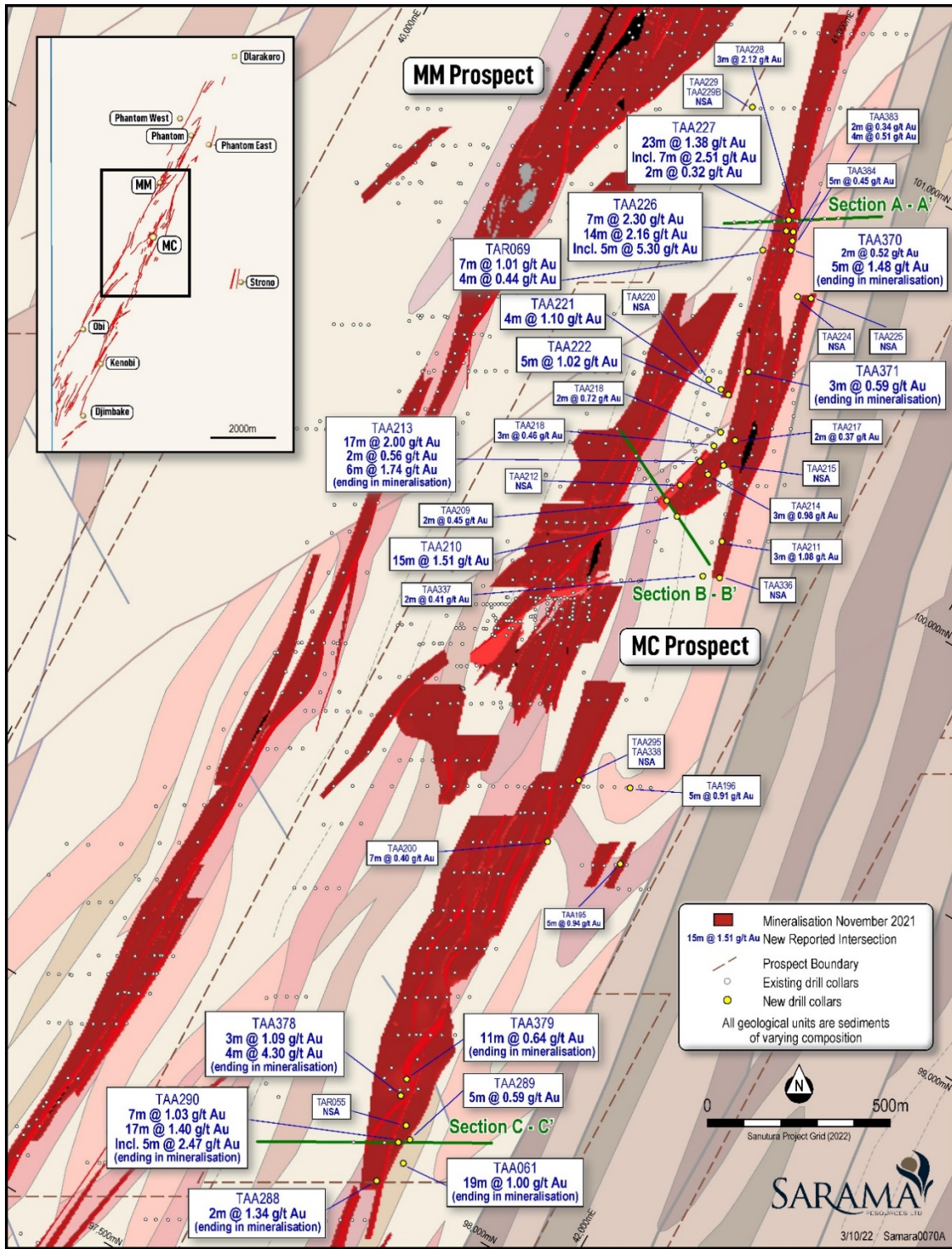


Figure 11 –MC Prospect – Drilling & Mineralisation Plan

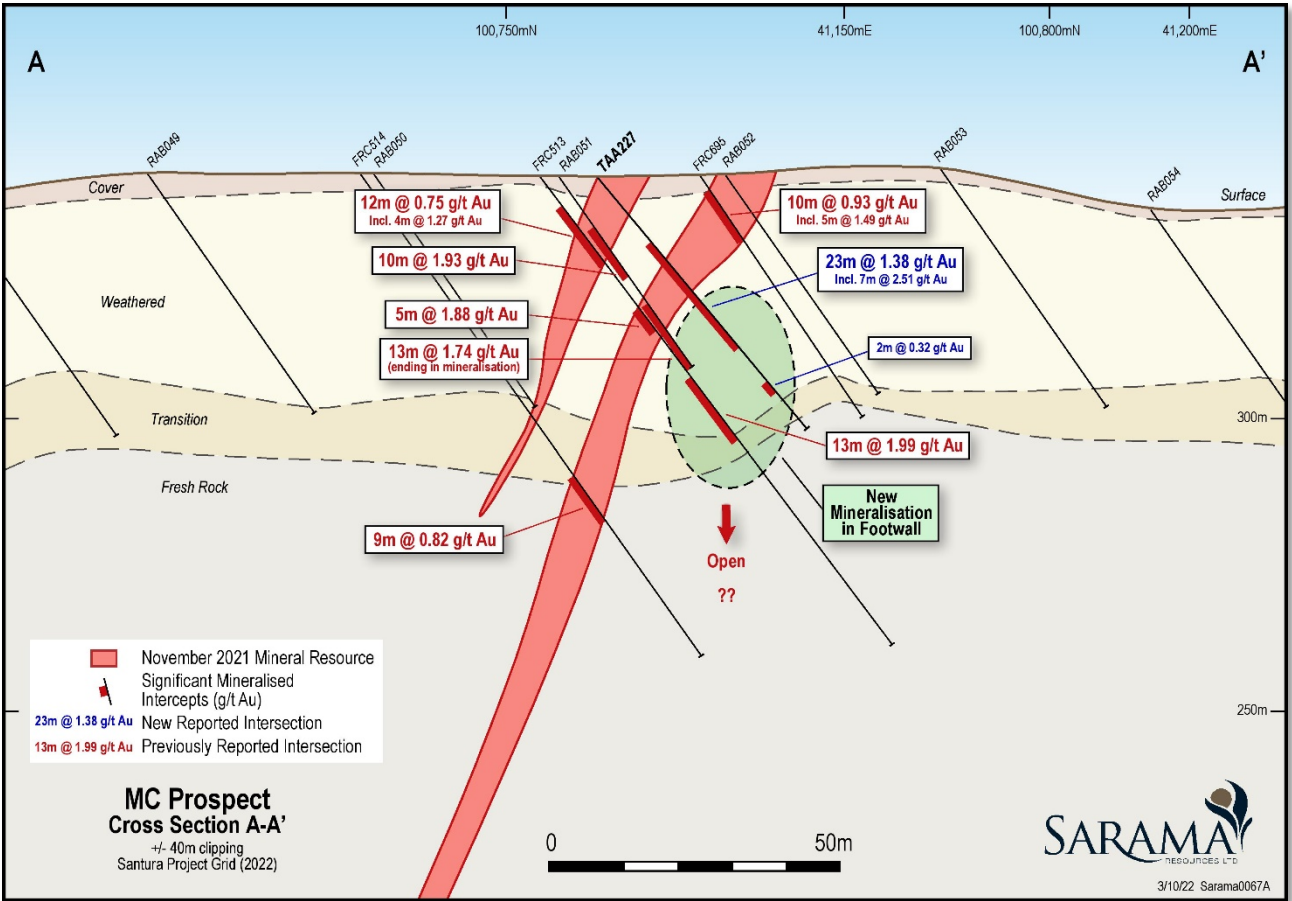


Figure 12 – Cross Section A-A' of Figure 13 (Looking NNE)

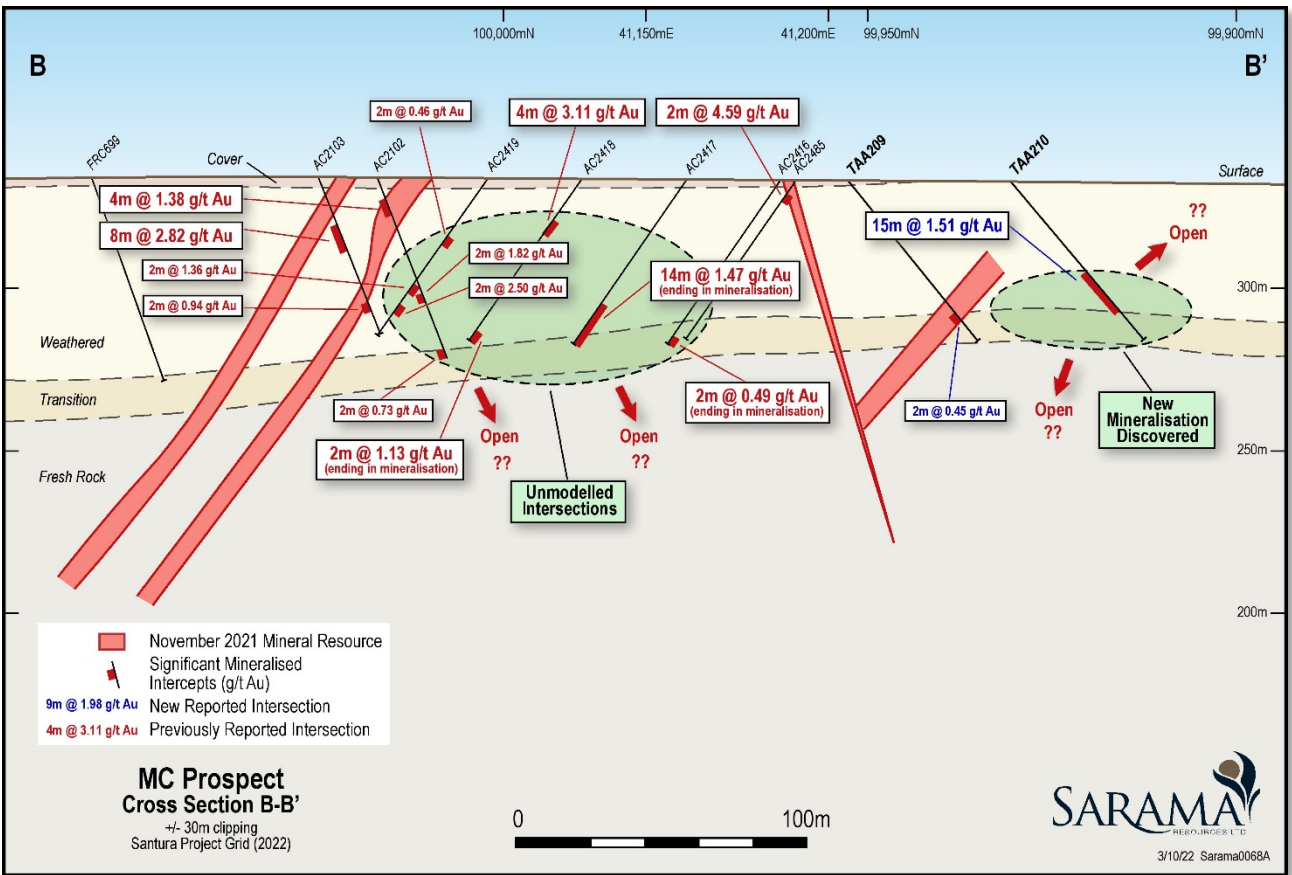


Figure 13 – Cross Section B-B' of Figure 13 (Looking NNE)

For personal use only

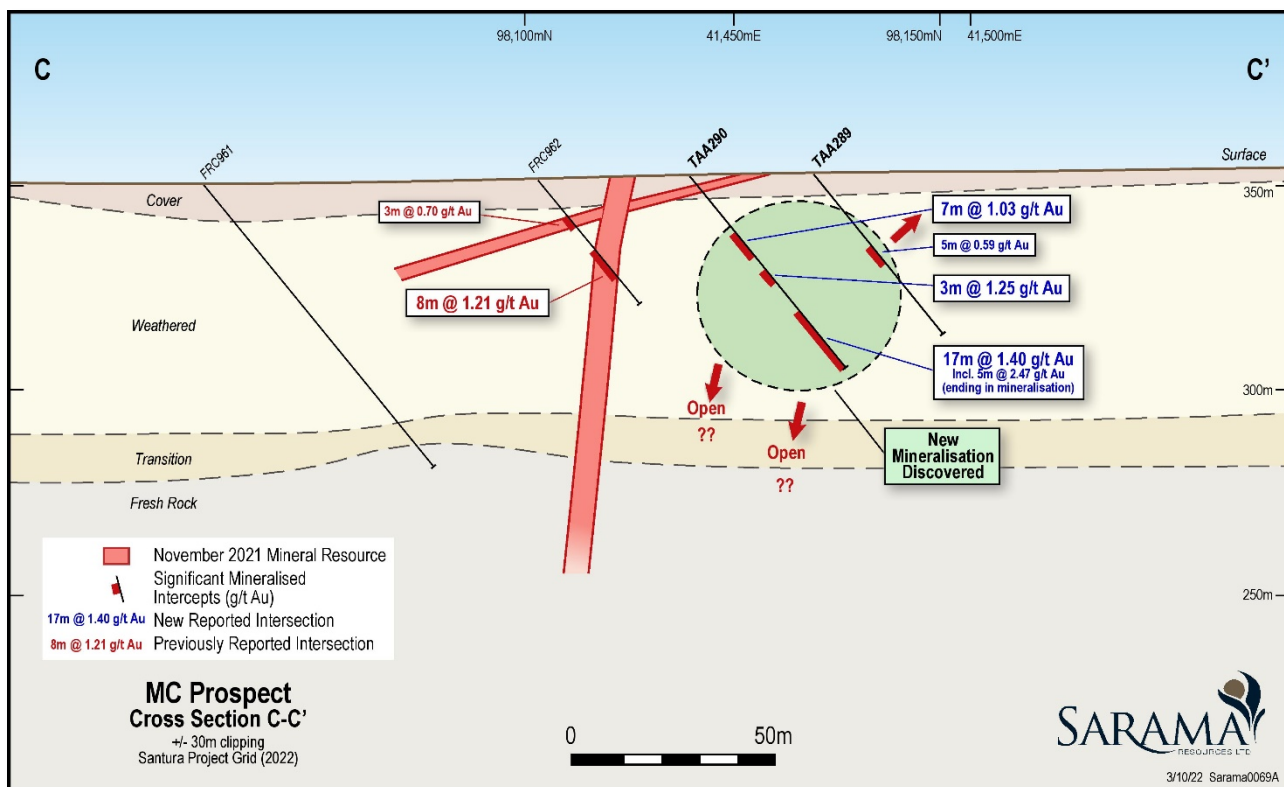


Figure 14 –Cross Section C-C' of Figure 13 (Looking NNE)

Outlook

The significant oxide and free-milling resource outlined in the November 2021 mineral resource estimate has the potential to support development of a straightforward CIL project with compelling economics based on oxide and free-milling feed alone.

The large amount of oxide and free milling material, combined with the very favourable leach kinetics, strip ratio and grade profile of this material, provides the Company with flexibility in its approach to development. These characteristics will allow the Company to leverage the significant resource base through a multi-stage, long-life and higher output project whilst preserving the significant exploration potential of the project.

The Company has completed internal assessment work evaluating various project sizes and throughput rates and staging the development of the Sanutura Project. As a result of this work, the company is undertaking a PEA to evaluate accelerating the Sanutura Project via a staged approach, commencing with a mid-sized mine development established using high-grade, free-milling oxide material. The results of the PEA will inform the next steps of the company from both an exploration and development point of view.

The quantum and type of future exploration drilling will be guided by project needs and availability of suitably priced capital in the equity markets. Drilling completed in 2022 is expected to increase the inventory of oxide material and will be included in future mineral resource updates. Field activities will nominally include reconnaissance work and AC and RC drilling primarily in and around the Bondi Deposit. The availability and cost of capital will ultimately dictate the rate at which the Company can advance the Project.

The Company will continue to work with the relevant government authorities to expedite the issuance of the *arrêtés* for several of the properties within the Sanutura Project including the Tankoro 2 Property.

Koumandara Project

Property Information

The Koumandara Project comprises four exploration properties covering an area of approximately 467 km² in the Banfora Belt and lies approximately 80km west of the Sanutura 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 2023

- Sarama continued to liaise with the Ministry of Mines and Quarries after it made notification to the Company of the successful applications for the granting of the Kongoroba 2 and Noumousso 2 Exploration Permits. These permits cover substantially the same area as the predecessor Kongoroba and Noumousso Exploration Permits which had expired and were required to be re-issued. The new Exploration Permits have an initial term of 3 years and are renewable for an additional two 3-year terms, subject to satisfaction by the Company of certain conditions including the filing of progress reports and the attainment of minimum exploration expenditures. Sarama has paid the requisite processing fees and the issuance of the Exploration Permits' *arrêtés* and related paperwork is an administrative process which are expected to be completed in due course.

Outlook

The Company has developed high-quality drill targets on the Koumandara Project and has planned a 5,000m drill program to follow up high-grade scout drilling intercepts from previous programs. These programs will be progressed following re-issue of certain Exploration Permits for the project and subject to exploration target prioritisation, availability of capital and allocation of funding.

The Company plans to undertake field reconnaissance work during the quarter however the immediate drilling priority remains the Sanutura Project, in particular the Bondi Deposit and surrounding target areas.

Karankasso Project

Property Information

The Karankasso Project ("**Karankasso**") is comprised of 6 exploration properties covering approximately 700km² and is located approximately 400km southwest of Ouagadougou, in Burkina Faso. The Karankasso Project can be accessed by a paved highway with both rail and grid power coming within approximately 65 kilometres.

In September 2014, the Company established a JV 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. In 2019, Semafo Inc. ("**Semafo**") completed the acquisition of Savary and in July 2020, Endeavour completed the acquisition of Semafo, resulting in it becoming Sarama's joint venture partner in the Karankasso Project.

On February 24, 2020, Semafo announced an updated inferred mineral resource estimate⁽⁹⁾ of 12.74Mt @ 1.73g/t Au for 709,000 oz of contained gold of which Sarama's equity interest is approximately 125,000 oz gold (based on Sarama's approximate 17.6% project interest as at March 31, 2023).

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 2023

- The operator primarily undertook desktop exploration support activity which included the continuing review and compilation of historical exploration data.

Outlook

Endeavour plans to continue with desk-top work and the Company anticipates minor drilling activity may recommence on this project in the latter part of 2023, subject to issuance of exploration permits by the Ministry of Mines and Quarries.

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

SELECTED AUDITED FINANCIAL INFORMATION

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

Please refer to Results of Operations for analysis of Operations for the quarter ended March 31, 2023 compared to the quarter ended March 31, 2022.

| | 2023 \$ | 2022 \$ | 2021 \$ |
|--|------------|------------|------------|
| Interest income – quarter | 4,028 | 31 | 94 |
| Net loss – quarter | 568,415 | 922,512 | 1,093,251 |
| Net loss per share for the quarter - basic and diluted (cents) | 0.4 | 0.9 | 1.2 |
| Total assets | 2,455,761 | 2,748,170 | 3,261,023 |
| Total liabilities | 678,571 | 2,238,418 | 1,603,972 |

RESULTS OF OPERATIONS

Quarter ended March 31, 2023 and 2022

| | Q1 2023 \$ | Q1 2022 \$ | Variance \$ |
|--|----------------|----------------|----------------|
| Income | | | |
| Interest income | 4,028 | 31 | 3,997 |
| | 4,028 | 31 | 3,997 |
| Expenses | | | |
| Accounting and audit | 5,358 | 5,286 | (72) |
| Directors' fees | 25,146 | 27,528 | 2,382 |
| Insurance | 11,752 | 16,576 | 4,824 |
| Finance charges | - | 36,105 | 36,105 |
| Marketing and investor relations | 45,699 | 45,553 | (146) |
| Office and general | 76,305 | 64,379 | (11,926) |
| Professional advisory fees | 23,485 | 10,431 | (13,054) |
| Salaries | 161,715 | 151,953 | (9,762) |
| Travel | 15,830 | - | (15,830) |
| Foreign exchange (gain)/loss | (3,599) | 9,968 | 13,567 |
| Total general and administration | 410,105 | 367,779 | 6,088 |
| Exploration expenditure as incurred | - | 239,679 | 18,551 |
| Depreciation | 1,312 | 521 | (791) |
| Stock-based compensation | - | 188,063 | 188,063 |
| Fair value (gain) on warrants carried at fair value through profit or loss | (11,688) | 126,501 | 138,189 |
| Net loss | 568,415 | 922,512 | 346,103 |

The Company reported a loss of \$568,415 (\$0.004 per share) for the quarter ended March 31, 2023 compared to a loss of \$922,512 (\$0.009 per share) for the quarter ended March 31, 2022 (positive variance \$346,103).

Professional advisory fees increased from \$10k in Q1 2022 to \$23k in Q1 2023 (negative variance \$13k) due to corporate advisory fees paid to Euroz Hartleys after listing on the ASX in May 2022. Salaries increased by \$10k in Q1 2023 compared to Q1 2022 due to an adjustment in remuneration to key management personnel based upon benchmarking against the Company's peer group and information provided by an external remuneration consultant in 2022. Office and General costs increased by \$12k in Q1 2023 compared to Q1 2022 due to an increase in compliance and shareholder registry costs related to the second listing on the ASX. Finance charges were nil in Q1 2023 compared to \$36k in Q1 2022 which represented interest relating to the trailing reimbursement of \$1 million payable to Barrick (refer news release June 24, 2020). This debt was fully repaid in May 2022. Travel costs increased by \$13k in Q1 2023 compared to Q1 2022 due to attendances at conferences. Stock-based compensation was nil in Q1 2023 due to the Company's trading policy delaying the granting of options until April 2023.

Exploration expenditure decreased by \$19k in Q1 2023 compared to Q1 2022 with the difference primarily being related to reduced expatriate contract labour costs.

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, 2023 | 4,028 | (568,415) | (0.4) | (0.4) |
| December 31, 2022 | 7,197 | (553,161) | (0.4) | (0.4) |
| September 30, 2022 | 8,378 | (965,333) | (0.7) | (0.7) |
| June 30, 2022 | 2,373 | (1,761,289) | (1.4) | (1.4) |
| March 31, 2022 | 31 | (922,512) | (0.9) | (0.9) |
| December 31, 2021 | 62 | (596,538) | (0.6) | (0.6) |
| September 30, 2021 | 401 | (438,356) | (0.5) | (0.5) |
| June 30, 2021 | 311 | (479,474) | (0.5) | (0.5) |

The primary driver for the variance in net profit and loss across multiple quarterly periods is due to the expensing of exploration expenditure programs.

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, 2023 the Company had working capital deficit of \$289,053 (December 31, 2022: \$280,112 surplus). Working capital is defined as current assets less current liabilities.

On April 13, 2023 the Company received gross proceeds of A\$1.375 million from Tranche 1 of an equity placement.

Receipt of gross proceeds of a further A\$625,000 from Tranche 2 will be subject to shareholder approval at a General Meeting to be held on June 6, 2023.

COMMON SHARE DATA (as at May 12, 2023)

| | |
|---|-------------|
| Common shares outstanding | 151,672,169 |
| Options issued to directors, executive officers, and a consultant | 10,173,334 |
| Warrants issued to shareholders and agents | 15,905,183 |
| Common shares outstanding assuming exercise of all options and warrants | 177,750,686 |

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 full details on the risks and uncertainties affecting the Company, please refer to the Company's audited annual consolidated financial statements, annual MD&A, and annual information form for the year ended December 31, 2022 which are available on the Company's website at www.saramaresources.com or on SEDAR at www.sedar.com.

OFF-BALANCE SHEET TRANSACTIONS

During the period ended March 31, 2023 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 IASB, effective as of March 31, 2023. The Company's significant accounting policies are described in note 2 of the Company's consolidated financial statements for the year ended December 31, 2022 and 2021 and note 2 of the Company's condensed interim consolidated financial statements for the period ended March 31, 2023 and 2022.

CHANGES IN ACCOUNTING STANDARDS

The accounting policies applied in the preparation of the Company's condensed interim consolidated financial statements for the period ended March 31, 2023 and 2022, are consistent with those applied and disclosed in the Company's annual consolidated financial statements.

The Company has reviewed all the new and revised Standards and Interpretations issued by the IASB that are relevant to the Company and effective for the current reporting period. As a result of this review, the Company has determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to the Company's accounting policies.

The Company has also reviewed all the new and revised Standards and Interpretations in issue not yet adopted for the period ended March 31, 2023. As a result of this review the Company has determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE

CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining adequate internal controls over financial reporting and disclosure controls and procedures. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Any system of internal controls over financial reporting and disclosure, no matter how well designed, has inherent limitations. The effectiveness of internal controls is also subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may change.

There were no changes in the Company's internal controls over financial reporting during the three months ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

ADDITIONAL INFORMATION

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

Footnotes

- 1. Mineral resource estimate for Sanutura Project - 9.4Mt @ 1.9g/t Au for 0.6Moz Au (Indicated) plus 52.7Mt @ 1.4g/t Au for 2.3Moz (Inferred), reported at cut-off grades ranging 0.2-1.6g/t Au, reflecting the mining methods and processing flowsheets assumed to assess the likelihood of the mineral resources to have reasonable prospects for eventual economic extraction. The effective date of the Company's mineral resource estimate is November 16, 2021.*
- 2. Tankoro Deposit component of the Sanutura Project's mineral resource - 9.4Mt @ 1.9g/t Au for 0.6Moz Au (Indicated) plus 43.6Mt @ 1.4g/t Au for 1.9Moz (Inferred), reported at cut-off grades ranging 0.2-1.6g/t Au, reflecting the mining methods and processing flowsheets assumed to assess the likelihood of the mineral resources to have reasonable prospects for eventual economic extraction.*
- 3. Bondi Deposit component of the Sanutura Project's mineral resource - 9.2Mt @ 1.5g/t Au for 0.5Moz Au (Inferred), reported at cut-off grades ranging 0.2-1.5g/t Au, reflecting the mining methods and processing flowsheets assumed to assess the likelihood of the mineral resources to have reasonable prospects for eventual economic extraction.*
- 4. Higher grade component of the Sanutura Project's mineral resource - 6.3Mt @ 2.5g/t Au for 0.5Moz Au (Indicated) plus 29.8Mt @ 1.9g/t Au for 1.8Moz (Inferred) reported at a cut-off grade of 1.0g/t Au for all material types.*
- 5. Oxide & transition component of the Sanutura Project's mineral resource - 3.2Mt @ 1.6g/t Au for 0.2Moz Au (Indicated) plus 23.4Mt @ 1.1g/t Au for 0.8Moz Au (Inferred), reported above cut-off grades of 0.2g/t Au and 0.3g/t Au for oxide and transition material respectively.*
- 6. Tankoro Deposit primary exploration target - expressed as a +/-10% range of modelled and estimated mineralisation of 3.1Mt @ 1.1g/t Au for 113koz Au (open pit) and 0.8Mt @ 2.0g/t Au for 53koz Au (underground) reported at cut-off grades of 0.5g/t Au and 1.6g/t Au respectively. This material has low geological, spatial and estimate confidence and cannot be considered as a mineral resource but is contained within the open pit and underground mining shapes used to constrain the reported mineral resource.*
- 7. Bondi Deposit primary exploration target - expressed as a +/-10% range of modelled and estimated mineralisation of 2.8Mt @ 1.0g/t Au for 88koz Au (open pit) reported at cut-off grade of 0.3g/t Au. This material has low geological, spatial and estimate confidence and cannot be considered as a mineral resource but is contained within the open pit and underground mining shapes used to constrain the reported mineral resource.*
- 8. Tankoro Deposit secondary exploration target - expressed as a +/-10% range of modelled and estimated mineralisation of 13.4Mt @ 1.3g/t for 0.6Moz Au reported at a cut-off grade of 1.0g/t Au. This material encompasses all weathering types and all geological classifications and is located outside the constraining open pit shells and underground blockouts used to categorise the modelled mineralisation as having reasonable prospects for eventual economic extraction.*
- 9. Karankasso Project mineral resource estimate - the current mineral resource estimate for the Karankasso Project of 12.74Mt @ 1.73g/t Au for 709koz Au (Inferred) (effective date of December 31, 2019) was disclosed on February 24, 2020 by Semafo Inc ("**Semafo**", since acquired by Endeavour). For further information regarding that mineral resource estimate, refer to the news release "Semafo: Bantou Project Inferred Resources Increase to 2.2Moz" dated February 24, 2020 and "Semafo: Bantou Project NI43-101 Technical Report - Mineral Resource Estimate" dated April 3, 2020. The news release and technical report are available under Semafo's and Endeavour's profile on SEDAR at www.sedar.com. The mineral resource estimate was fully prepared by, or under the supervision of Semafo. Sarama has not independently verified Semafo's mineral resource estimate and takes no responsibility for its accuracy. Semafo, and now Endeavour, 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. Additional technical work has been undertaken on the Karankasso Project since the effective date but Sarama is not in a position to quantify the impact of this additional work on the mineral resource estimate referred to above.*
- 10. The Government of Burkina Faso has processed the requisite documents to facilitate the grant of the new, full-term Tankoro 2, Kongoroba 2 and Noumousso 2 Exploration Permits (the "**Permits**") and subsequently*

issued the invitation to pay the permit issuance fees (the "Fees") and the Fees were paid within the requisite 10-day timeline. Following the payment of the Fee, the issuance of the Permit's arrêté and related paperwork becomes an administrative process during which time the Company may undertake work on the Tankoro 2, Kongoroba 2 and Noumousso 2 Properties. The Company expects the arrêtés and related paperwork to be issued in due course. The property hosting the Tankoro Deposit was formerly known as Tankoro but has been renamed as part of the process of re-issuing the Permit. The Djarkadougou 2 arrêté has been issued.

Qualified Persons' Statement

Scientific or technical information in this disclosure that relates to the preparation of the mineral resource estimate for the Sanutura Project is based on information compiled or approved 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 and a Competent Person under the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Paul Schmiede 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 disclosure that relates to the metallurgical testwork at the Bondi Deposit is based on information compiled or approved 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 and a Competent Person under the JORC Code. Paul Schmiede 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 disclosure that relates to tank-based and oxidative metallurgical testwork and mineral processing is based on information compiled or approved by Fred Kock. Fred Kock is an employee of Orway Mineral Consultants Pty Ltd and is considered to be independent of Sarama Resources Ltd. Fred Kock is a Fellow 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 and a Competent Person under the JORC Code. Fred Kock 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 disclosure that relates to exploration activities at the Sanutura Project 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 and a Competent Person under the JORC Code. 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 and exploration activities 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 and a Competent Person under the JORC Code. 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 Semafo's (now Endeavour's) mineral resource estimate and take no responsibility for its accuracy.

The exploration results and Mineral Resource estimates referred to in this announcement were first disclosed in accordance with ASX Listing Rules 5.7 and 5.8 in the Company's ASX Prospectus dated 11 March 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX prospectus and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the prospectus continue to apply and have not materially changed.