18 October 2017

ASX Announcement

ARUMA TO RAISE $770,000

- **Placement Proceeds for:**
  - **Targeted exploration on existing gold projects;**
  - **Drilling of Slate Dam and Beowulf projects;**
  - **Working capital**

Active Western Australian gold explorer Aruma Resources Limited (Aruma or the Company) (ASX: AAJ) is pleased to announce that it is raising approximately $770,000 (before costs) through a share placement being supported by Armada Capital and Equities and State One Stockbroking.

PLACEMENT DETAILS

Firm commitments have been received for a placement of 70 million shares at a price of 1.1 cents per share to raise $770,000 (the Placement). The Placement is being made to professional and sophisticated investors.

The Placement will be made pursuant to the Company's placement capacity under ASX listing rule 7.1 (37 million shares) and 7.1A (33 million shares).

The funds raised from the Placement will be used for targeted exploration programs on the Company's advanced Slate Dam and Beowulf gold projects near Kalgoorlie as well as costs of the Placement and general working capital.

KALGOORLIE PROJECT UPDATES

The Kalgoorlie Projects will be the focus for the Aruma exploration team in the next three months, with a systematic approach to gold exploration under cover in Greenfields areas with highly prospective geology, Figure 1.

BEOWULF GOLD PROJECT

The Beowulf Gold Project comprises four granted leases (E28/1900, 1901, 2086 and 2087) and five Exploration Licence applications (E31/1165, E28/2706, E28/2707, E28/2713 and E28/2714) located 70km north-east of Kalgoorlie. The 100% Aruma owned leases cover a major belt of Greenfields terrane that is now known to host significant gold deposits.

ASX: AAJ

Capital Structure
361.8M Shares on Issue
4.6M Unlisted Options

Board of Directors
Non-Executive Chairman
Paul Boyatzis
Managing Director
Peter Schwann
Non-Executive Director
Mark Elliott
Company Secretary
Phillip MacLeod
Exploration Manager
Kathryn Cutler

Active Projects

SLATE DAM GOLD PROJECT

BEOWULF GOLD PROJECT

SHEELA GOLD PROJECT

Head Office
Level 1, 6 Thelma Street
West Perth, WA 6005
T +61 8 9321 0177
F +61 8 9226 3764
E info@arumaresources.com
W www.arumaresources.com

Postal Address
Locked Bag 2000,
Nedlands, WA 6909

Geological evaluation of the area established that the granted leases had existing eluvial mining. These leases now form the central part of the 490km^2 Beowulf Gold Project.

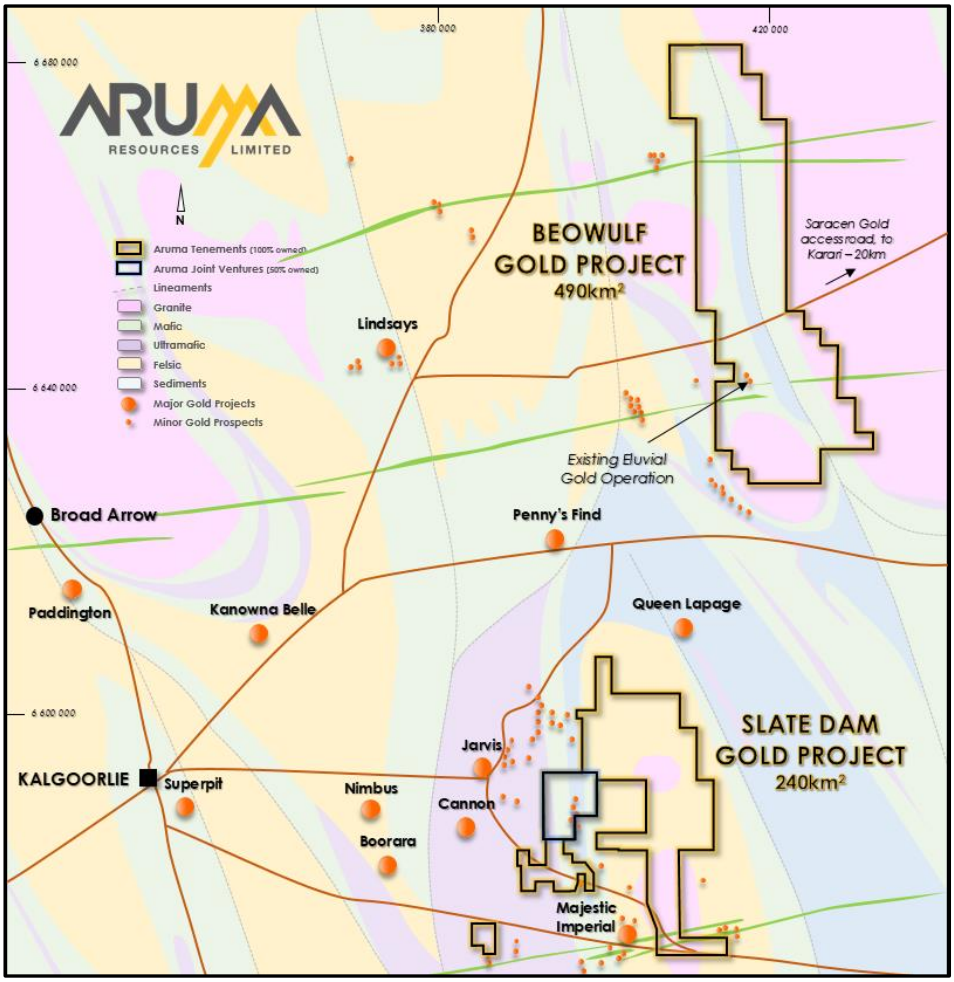

Figure 1. Aruma's Beowulf and Slate Dam Gold Projects of the Kalgoorlie District, with geological interpretation and existing gold mines of the region.

The Beowulf Gold Project tenements extend the Company's land holding over the highly anomalous geology of the Kalgoorlie Terrane to ~ 730km^2 (Figure 1). Beowulf also adds to the gold portfolio available to the exploration team to work concurrently with the Slate Dam Gold Project, continuing the Company's systematic approach to gold exploration in Greenfield areas.

SLATE DAM GOLD PROJECT

The granted Slate Dam, Mulga Dam and Juglah exploration licenses (E25/553, E25/534, E25/556 and E25/558) cover 209km^2 of felsic sediments to the east of the Glandore Gold Project, held in joint venture with Southern Gold Ltd. The leases were applied for when geological evaluation of the felsic units identified similarities to the style gold modelled in sediments at Gold Fields Ltd.'s large scale Invincible gold projects near Kambalda.

The 7km² 200ppb gold anomaly of Slate Dam, and an existing drill intercept of 113m at 0.22g/t (GWD02), is indicative of this type of orebody and amply demonstrates this area to be a large gold system. The highly anomalous Slate Dam Project (100% AAJ, 209km2) is due to have the Section 18 Ministerial Consent issued in mid-November that will allow the planned drilling to commence.

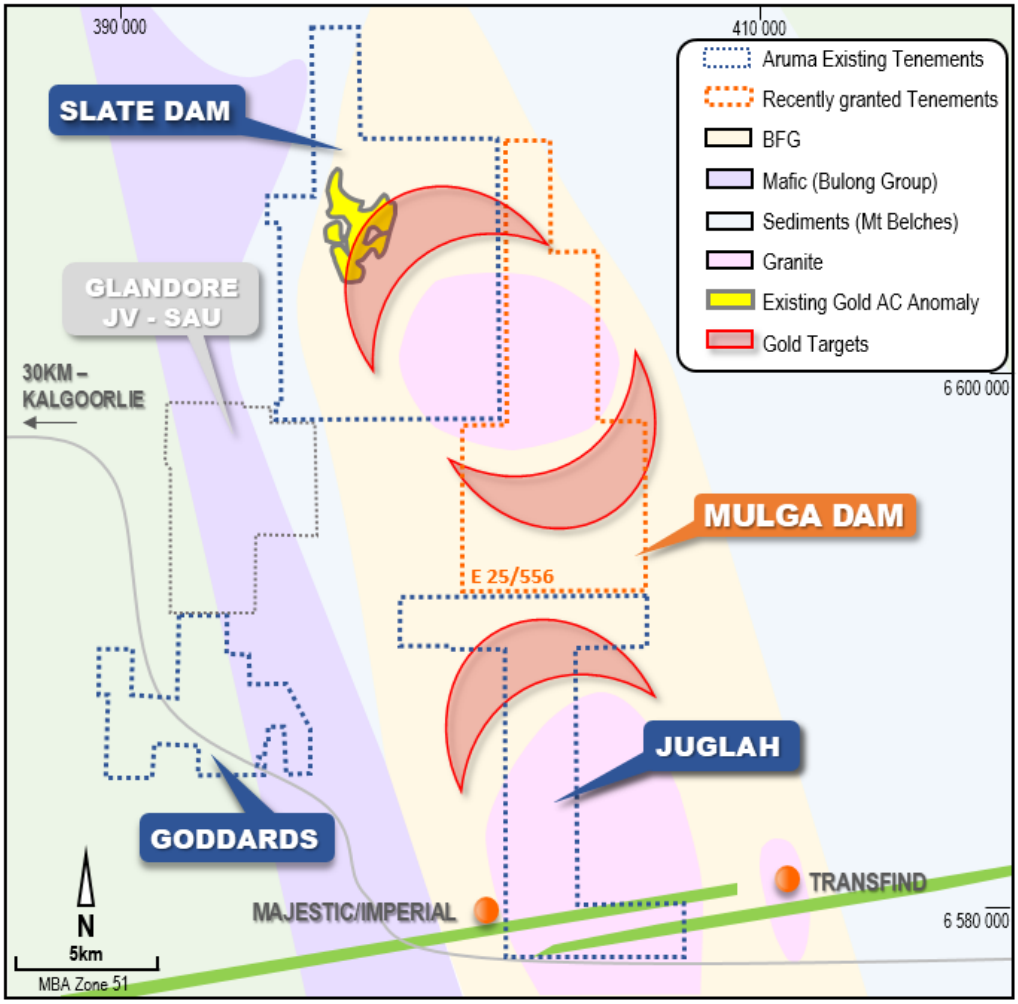

Figure 2. Aruma's Slate Dam Gold Project cover 209km² of highly prospective gold geology of the Kalgoorlie Terrane. The gold anomaly is within the crescent shaped pressure shadow locations adjacent the large granite bodies.

Conceptual targeting, given the geological setting, identified the pressure shadows surrounding the granite domes as likely structural targets (Figure 2). However, the presence of lake sediments and the felsic nature of the host rocks preclude standard soil techniques, and supergene outcrop has hindered exploration in previous years.

The Company looks forward to progressing these projects with its maiden drill program for Slate Dam and Beowulf scheduled for the last quarter of 2017.

LAND APPLICATIONS

Aruma is using the same model in many terranes in Western Australia and has recently applied for E09/2255, Sheela Project, in a similar rock suite in younger Proterozoic Rocks in the Pilbara province.

The lease will be examined and the database constructed to evaluate the lease before granting occurs. This is the proven methodology for Aruma and the uncovered gold potential at the Beowulf and Slate Dam projects attest to the success of this technique.

For further information please contact:

Peter Schwann
Managing Director

Aruma Resources Limited
Telephone: +61 8 9321 0177
Mobile: +61 417 946 370
Email: info@arumaresources.com

Competent Person's Statement

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Schwann who is a Fellow of the AIG and Australasian Institute of Mining and Metallurgy. Mr Schwann is Managing Director and a full time employee of the Company. Mr Schwann has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Mr Schwann consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Aruma Resources Limited is a proud supporter and member of the Association of Mining and Exploration Companies, 2017.

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